



華耐控股有限公司  
SINOREF HOLDINGS LIMITED

*(incorporated in the Cayman Islands with limited liability)*

*(於開曼群島註冊成立之有限公司)*

Stock Code 股份代號: 1020



Annual Report 2016 年報

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# Corporate Information

## 公司資料

### EXECUTIVE DIRECTORS

Mr. Zhu Min  
Mr. Gao Xiang  
Mr. Lu Yongchao  
Mr. Xu Yejun  
Mr. Sin Kwok Wai Ronald

### NON-EXECUTIVE DIRECTORS

Mr. Chow Chi Wa  
Ms. Yip Sum Yu

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Cao Ke  
Mr. Tong Yiu On  
Mr. Li Yik Sang

### CHIEF EXECUTIVE OFFICER

Mr. Gao Xiang

### COMPANY SECRETARY

Mr. Sin Kwok Wai Ronald

### AUTHORISED REPRESENTATIVES

Mr. Sin Kwok Wai Ronald  
Ms. Yip Sum Yu

### AUDIT COMMITTEE

Mr. Tong Yiu On (*Chairman*)  
Mr. Cao Ke  
Mr. Li Yik Sang

### REMUNERATION COMMITTEE

Mr. Cao Ke (*Chairman*)  
Mr. Lu Yongchao  
Mr. Tong Yiu On  
Mr. Li Yik Sang

### NOMINATION COMMITTEE

Mr. Lu Yongchao (*Chairman*)  
Mr. Cao Ke  
Mr. Tong Yiu On  
Mr. Li Yik Sang

### REGISTERED OFFICE

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### 執行董事

朱敏先生  
高翔先生  
呂永超先生  
徐葉君先生  
冼國威先生

### 非執行董事

周志華先生  
葉芯瑜女士

### 獨立非執行董事

曹克先生  
唐耀安先生  
李奕生先生

### 行政總裁

高翔先生

### 公司秘書

冼國威先生

### 授權代表

冼國威先生  
葉芯瑜女士

### 審核委員會

唐耀安先生 (*主席*)  
曹克先生  
李奕生先生

### 薪酬委員會

曹克先生 (*主席*)  
呂永超先生  
唐耀安先生  
李奕生先生

### 提名委員會

呂永超先生 (*主席*)  
曹克先生  
唐耀安先生  
李奕生先生

### 註冊辦事處

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

**HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC**

East Qingyuan Ave.  
Yixing EDZ, Jiangsu  
China 214200

**PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

Unit B, 15/F, Teda Building,  
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Sheung Wan, Hong Kong

**CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE**

Codan Trust Company (Cayman) Limited  
Cricket Square, Hutchins Drive  
P.O. Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

**HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE**

Tricor Investor Services Limited  
Level 22, Hopewell Centre  
183 Queen's Road East  
Hong Kong

**AUDITOR**

Elite Partners CPA Limited

**LEGAL ADVISER**

Tang Tso & Lau

**PRINCIPAL BANKER**

The Hongkong and Shanghai Banking Corporation Limited  
China Citic Bank International Limited  
Hang Seng Bank

**COMPANY WEBSITE**

[www.sinoref.com.hk](http://www.sinoref.com.hk)

**STOCK CODE**

Stock Exchange of Hong Kong: 1020

**總辦事處及中國主要營業地點**

中國江蘇省  
宜興經濟開發區  
慶源大道東  
郵編214200

**香港主要營業地點**

香港上環  
永樂街87號  
泰達大廈15樓B室

**開曼群島股份過戶登記總處**

Codan Trust Company (Cayman) Limited  
Cricket Square, Hutchins Drive  
P.O. Box 2681  
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Cayman Islands

**香港股份過戶登記分處**

卓佳證券登記有限公司  
香港  
皇后大道東183號  
合和中心22樓

**核數師**

開元信德會計師事務所有限公司

**法律顧問**

鄧曹劉律師行

**主要往來銀行**

香港上海滙豐銀行有限公司  
中信銀行(國際)有限公司  
恒生銀行

**公司網址**

[www.sinoref.com.hk](http://www.sinoref.com.hk)

**股份代號**

香港聯交所：1020

# Chairman's Statement

## 主席報告書

Dear Shareholders,

On behalf of the board ("Board") of directors ("Directors") of Sinoref Holdings Limited ("Sinoref" or the "Company", together with its subsidiaries, the "Group"), I am pleased to present the annual report of the Group for the year ended 31 December 2016.

The Chinese Ministry of Commerce has said that China as being the world's second largest economy and turning into the largest consumer market within next two-three years, the Chinese economy is likely to expand 6.5 percent in 2017. The Chinese government has reported that China's 6.7 percent growth in GDP last year outpaced most other economies and accounted for more than 30 percent of the global growth; and China will continue to implement a proactive fiscal policy and a prudent monetary policy to hold the economy within an appropriate range in 2017. GDP growth in the first three months of 2017 remained steady at 0.2 percentage point higher than a year ago, showing a stabilizing trend in China's economy. The improvement in the industrial production is a major contributor to the stable growth in the first quarter 2017; and it got off to a strong start in the first quarter with GDP growing at 6.9 percent year-on-year, according to the data released by the National Bureau of Statistics of China.

For 2017, China is facing more headwinds from external environment including that from the new US president Donald Trump, who has been threatening tough measures against Beijing, though the US trade threats seem lessened after the recent visit to USA by China president Xi Jinping in April 2017. At the recent opening meeting of the annual session of China's top legislature, the National People's Congress, premier Li Keqiang delivered his commentaries and advocacy as that:

各位股東：

本人謹代表華耐控股有限公司（「華耐」或「本公司」，連同其附屬公司合稱「本集團」）董事（「董事」）會（「董事會」），欣然提呈本集團截至二零一六年十二月三十一日止年度之年報。

中國商務部表示，鑑於中國為全球第二大經濟體，並將於接下來的二至三年內發展成為全球最大的消費市場，中國經濟有望於二零一七年擴張6.5%。中國政府報告，中國去年國內生產總值6.7%的增長率超越了多數其他經濟體，佔全球增長逾30%，而中國將繼續實施積極的財政政策及審慎的貨幣政策，將二零一七年的經濟控制在合理的範圍內。二零一七年首三個月，國內生產總值增長率仍穩定地較去年高出0.2個百分點，顯示中國經濟趨於穩健。工業生產的進展為二零一七年第一季度穩定增長的主要功臣，而根據中國國家統計局發佈的統計資料，本年第一季度便強勁開始，錄得國內生產總值按年增長6.9%。

二零一七年，中國遭遇更多來自外部環境的阻礙，包括美國新任總統唐納德·特朗普持續威脅將對北京施以嚴厲措施；儘管如此，美國貿易的威脅似乎在中國國家主席習進平近日於二零一七年四月造訪美國之後稍有緩解。在中國最高立法機構全國人民代表大會最近的年度會議開幕會上，總理李克強發表以下的評論及倡議：

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- against the backdrop of sluggish world economic growth, backsliding on globalization and growing protectionism, China is enjoying many good conditions for sustaining economic development;
- both the quality and efficiency of economic performance improved markedly in 2016, and an important reason for stressing the need to maintain steady growth is to ensure employment and improve people's lives.

And the National Academy of Economic Strategy has recommended that the focus of macro-economic policies should be in supply-side structural reforms to boost potential output in the long run.

In steel production and being the world's biggest supplier and consumer in the industry, China will likely shrink further in 2017 as local demand slows, according to the China Iron and Steel Association (CISA). In fact, steel makers in China have faced difficulties over the past few years, due to the shrinking demand and excessive capacity generated from the past decade of rapid expansion. The pressure of cutting overcapacity remains for the steel sector, whereas the progress is still slow in some particular regions. Steel price has risen in the past few months amid temporarily strained supply as some producers scaled back output to avoid losses. The Metallurgical Mines Association of China has forecasted that China's steel consumption in 2017 is expected to decline at a slower rate of 1 percent year on year, as faster growth in the country's infrastructure sector will offset slowdown in the property and auto sectors. Meanwhile, our subsidiary in production of steel flow control product has strived better to increase its procurement and production efficiency to meet the market changes and that in the steel industry. We aim to optimize the revenue of the plant continuously with effectively controlled production and better client relationship.

- 面對全球經濟增長放緩、全球化式微及保護意識抬頭，中國享有經濟持續發展的若干優勢。

- 於二零一六年，無論在質素或效率方面，中國的經濟表現皆顯著提升，而之所以必須強調維持穩健增長，其重要原因在於確保就業及改善人民生活。

此外，中國社會科學院財經戰略研究院建議，宏觀經濟政策的重點應放在供應面的結構性改革，以刺激長遠的潛在產出。

於鋼鐵業，中國正是全球最大的供給及消耗國。根據中國鋼鐵工業協會，面對中國國內需求放緩，中國鋼產量可能於二零一七年進一步萎縮。事實上，由於需求萎縮，加上過去十年快速擴展時期累積的產能過多，中國鋼材製造商於過去數年面臨困境。鋼材業仍面臨削減過剩產能的壓力，惟部份地區的進展依然緩慢。於過去數月，由於部份生產商縮減規模以避免虧損，鋼價在供應暫時收緊下有所回升。中國冶金礦山企業協會預測，二零一七年中國鋼鐵消耗的預期減少將放緩至按年減少1%，而中國基礎設施業的快速增長將抵消房地產及汽車業的低迷。同時，我們生產鋼水控流產品的附屬公司已更為盡力提高採購及生產效率，以應對鋼材行業的市場變動。我們希望藉有效控制生產及改善客戶關係持續優化廠房收入。

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In recent years, there have been increasing public concerns that deceptive tactics are being used by fraudsters who claim themselves to be financial intermediaries for money lending to induce intending borrowers to engage them for arranging loans with money lenders and charge very high fees under different pretexts in the process. To combat the problem, the additional licensing conditions imposed on money lenders seek to facilitate effective enforcement of the statutory ban on separate fee charging by money lenders and their connected parties, ensure better protection of privacy of intending borrowers, enhance transparency and disclosure, and promote the importance of prudent borrowing. This set of corporate Guidelines aim to provide guidance for money lender licensees on the requirements of the additional licensing conditions that were applicable with effect from 1 December 2016.

Under the applicable Hong Kong Laws and complying with the provisions of the Hong Kong Money Lenders Ordinance, our money lending subsidiary provides loans mainly on mortgage loans and secured financing in the market. Considering the financial strength and repayment ability of the customers together with the collaterals of the properties in Hong Kong provided by the customers and the relatively short-term nature of the mortgage loans and advances, the risks involved in the loans and advances to the customers of the money lending business are relatively low. The subsidiary expects to develop more business on high net worth customers and expand customer portfolio through more referrals. As you would notice from our announcement of 8 March 2016, that we had granted a secured first mortgage loan of HK\$110 million to an independent third party for a term of twelve months.

Today, purchases through e-commerce are very convenient and swift. E-commerce transactions can be made anytime that allow people to buy products at any time of the day or week that suits them. Our e-commerce and information technology (IT) subsidiary enterprise has steadily achieved a high growth in e-commerce sales through its online sales platforms. During 2017, other than more expansion in B2C e-commerce business growth, the subsidiary enterprise increased its IT-enhanced solution sales and also provided management sales for clients with its Multi marketplace management and sales platforms. The Board was pleased to make an announcement on 22 June 2016

近年來，大眾越來越擔心詐騙人士使用詐欺手法，自稱為放債的金融中介，引誘有意借貸者委託彼等安排與放債人的借貸事務，並在此過程中，於不同狀況下收取高額費用。為解決這個問題，對放債人實施額外的發牌條件，期能有效落實對放債人及其關連方收取額外費用的法定禁令，確保能更有效保護有意借貸者、提升透明度及披露程度，並宣傳審慎借貸的重要性。此套企業指引旨在為放債人牌照持牌人就二零一六年十二月一日起適用的額外發牌條件之要求提供指引。

根據適用的香港法例並遵守香港放債人條例的條文，我們的放債附屬公司在市場上提供的借貸主要為按揭貸款及已抵押融資。考慮到客戶的財政實力與還款能力及客戶提供的香港物業抵押品，並經考慮按揭貸款及墊款屬相對上短期性質，向放債業務客戶貸款及墊款所涉及的風險相對偏低。附屬公司預期將會發展更多有關高淨值客戶的業務及通過更多轉介擴大客戶組合。誠如我們二零一六年三月八日的公佈所示，我們已向一名獨立第三方授出一筆首次抵押按揭貸款達11,000萬港元，為期十二個月。

現時，由於電子商務購物方便快捷且交易更可隨時進行，客戶可於其認為合適的時間購物。我們的電子商務及資訊科技附屬公司已透過其網上銷售平台穩定達成電子商務銷售高成長。於二零一七年，除B2C電子商務業務成長外，附屬公司已增加其資訊科技增級解決方案銷售，並亦以其多元市場管理及銷售平台為客戶提供管理銷售。董事會欣然於二零一六年六月二十二日就附屬公司於截至二零一六年三月三十一日止財政年度達成超越EBITDA保

## Chairman's Statement 主席報告書

about the subsidiary's actual EBITDA, that was achieved more than the Guaranteed EBITDA of HK\$10,000,000 for the financial year ended 31 March 2016, with reference to the circular dated 15 September 2015 for the acquisition of the entire e-commerce enterprise by our holding company.

Moving forward, the Group expects steady and greater organic growths among all the subsidiaries and we will exercise due caution to face all challenges ahead. With our strategy to diversify efforts towards the more profitable businesses, we believe our Group will make use of our strength in different industry markets in the foreseeable future and reward shareholders with better results. Besides, we will review on any potential business investments and opportunities from time to time, so as to diversify our business developments and revenue streams.

Lastly, on behalf of the Board, I would like to take this opportunity to express our sincere gratitude to our staff for their dedication in the adverse and challenging environment, as well as to our shareholders and business partners for their continuous support and trust over the years.

**Xu Yejun**  
*Executive Director*

證10,000,000港元的實際EBITDA作出公佈，其乃參照日期為二零一五年九月十五日有關我們的控股公司收購整個電子商務企業的通函作出。

展望未來，本集團預期所有附屬公司都將出現穩定及較龐大的內部增長，並將會對迎面而來的挑戰採取審慎態度。憑藉分散至具有較高溢利業務的策略，我們相信，本集團將可於可見將來利用在不同行業市場的優勢，以較佳業績回報股東。另外，我們將不時審視潛在投資及商機，從而分散業務發展及收入流。

最後，本人謹代表董事會，藉此機會對在充滿挑戰的不利環境下，仍忠誠投入、竭盡所能的員工表示衷心致謝，同時感激各股東及業務夥伴多年以來的不斷支持和信任。

**徐葉君**  
*執行董事*



# Management Discussion and Analysis

## 管理層討論與分析

### MARKET REVIEW

In 2016, the global economy was still in recovery from debt crises of previous time, and all those political and economic crises in United States of America and Europe continued to affect the world economy, leading to a more volatile financial market worldwide.

The Chinese economy remained on the path of moderation, and has successfully transformed economic growth, from being mainly driven by investment and foreign trade to being driven by domestic demand, as informed by the Commerce Ministry of China. The National Bureau of Statistics of China reported the gross domestic product (GDP) for the full year of 2016 was at a growth rate at about 6.7%, was the weakest growth in 26 years, and lower than the 2015 GDP growth rate of 6.9%.

According to the World Steel Association (worldsteel), the world crude steel production reached 1,628.5 million tonnes (Mt) for the year 2016, up by 0.8% as compared to 2015. China made more than half the world's steel but a slowdown in its economy and sagging global demand had left the industry with excess capacity. The National Bureau of Statistics reported that China's crude steel production in 2016 reached 808.4 Mt, up by 1.2% on 2015 and China's share of world crude steel production increased from 49.4% in 2015 to 49.6% in 2016.

Throughout 2016, China's authorities tackled excess steel production through consolidation and closed the inefficient and polluting factories; moreover, the oversupply condition of steel in market remained unresolved in China. Total steel product inventory level in China remained high and many unfavourable factors including price slide and raw material costs of steel had put huge pressure on and posted harsh challenges to the production and operation of steel enterprises. As our steel flow control product business plant was closely related to the steel industry in China, its business growth was so adversely affected in 2016.

### 市場回顧

於二零一六年，全球經濟仍從先前的債務危機中復甦，美國及歐洲的政治及經濟危機繼續影響全球經濟，導致全球金融市場更為動盪。

根據中國商務部的資料，中國經濟繼續溫和增長，並成功由主要以投資及外貿推動經濟增長轉型為以國內需求推動。據中國國家統計局的資料，二零一六年全年國內生產總值(GDP)增長率為約6.7%，為26年來最慢的增長，較二零一五年約6.9%的國內生產總值增長率為低。

根據世界鋼鐵協會的資料，二零一六年的全球粗鋼產量達到1,628.5百萬噸（百萬噸），與二零一五年相比增加0.8%。中國的粗鋼產量超過世界產量的一半，但中國經濟放緩及全球需求下降，導致行業產能過剩。國家統計局指出，中國的粗鋼產量於二零一六年達到808.4百萬噸，與二零一五年相比增加1.2%。二零一六年中國分佔世界粗鋼產量自二零一五年49.4%增加至49.6%。

於二零一六年，中國當局透過整合及關閉效率不彰且造成污染的工廠解決過剩的鋼鐵產量。此外，鋼鐵市場的供應過剩情況在中國仍未得到解決。中國鋼材庫存高企加上多項不利因素（包括價格下跌及鋼材原料成本），亦對鋼鐵企業的生產和運營造成沉重壓力和嚴峻挑戰。我們的鋼水控流產品業務與中國鋼鐵業密切相關，因此二零一六年本公司的該項業務亦受到負面影響。

## Management Discussion and Analysis 管理層討論與分析

The recent property market in Hong Kong is rebounding and seems to show the promising growth in terms of property price and transaction volume, the anticipated rise of interest rate, the volatile global economy and the new measure from the Hong Kong Government to increase the stamp duty on sales and purchase of properties have led us to be more cautious when managing our mortgage loan business. We consider the above periodical prudent measures are necessary during the time of unstable and uncertain economic environment and these measure would produce a more healthy and solid position in our mortgage loan business, which would have an impact on our net interest income and mortgage loan portfolio.

At present, there are a lot of business opportunities available to electronic commerce (e-commerce) business, which is experiencing rapid growth in Asia Pacific region and particularly in PRC. The hypercompetitive e-commerce industry needs also to have efficient logistics in support to satisfy customers with speed and security. Recently e-commerce giant eBay has set to launch a new guaranteed delivery program for shoppers to speed up shipping of ordered items on its platform. This new policy will help shoppers with faster and more precise delivery dates. Apart from that, the buyer has the option to return the guaranteed item at no cost if purchase delivery has arrived late. As our e-commerce subsidiary business trades through eBay platform, so we find this new program providing us safety and precise delivery to customers in remote areas, and will enhance our expansion in e-commerce business growth.

近來香港物業市場復甦，物業價格及交易量似乎出現可觀成長。預期利率上升、全球經濟波動以及香港政府增加物業買賣印花稅的新措施，使我們在管理本身按揭貸款業務時更加謹慎。我們認為，在不穩定及不確定的經濟環境下採取上述定期謹慎的措施實屬必要，且該等措施能讓我們本身的按揭貸款業務更健康且鞏固，對我們的利息淨收入及按揭貸款組合產生影響。

目前，電子商務（電子商務）業務在亞太地區（尤其是中國）成長快速，獲得許多業務機會。高度競爭的電子商務產業亦需要有效率的物流，以快速及穩妥的方式滿足顧客需求。近來，電子商務龍頭eBay為顧客推出一項新的保證交付計劃，加快平台訂貨運送。這項新政策將提供顧客更快速及精準的交付日期。另外，若購買交付日期延遲，買家可選擇退還訂貨商品且毋須承擔費用。由於我們的電子商務附屬業務的貿易透過eBay平台進行，我們認為這項新計劃能為我們偏遠地區的顧客提供安全且精準的交付服務，並加強擴張我們的電子商務業務成長。

# Management Discussion and Analysis

## 管理層討論與分析

### BUSINESS REVIEW

The whole Group (Sinoref Group) comprises its main business source engaged in the manufacture and sale of advanced steel flow control products, and its other subsidiary businesses engaged in the manufacture of paper converting equipments, money lending business and electronic commerce (E-Commerce) business.

The Group's steel flow control product manufacturing plant is still the Group's main source of business, principally engaged in the manufacture and sale of advanced steel flow control products including subentry nozzle, stopper, tundish nozzle and ladle shroud. In 2016, steel manufacturers in China continued struggling hard to survive with low profitability in business and reduced outputs under the huge pressure and challenges amidst the deteriorating global market and the fluctuating iron ore prices. Likewise, our steel flow product manufacturing plant competing with others in the market with lower sales margin had further increased selling and distribution costs to maintain a steady sales volume. The business and financial performances of the subsidiary strived hard to maintain its leading positions in the market for the year ended 31 December 2016.

During 2016, the property market in Hong Kong has experienced a rebound both in property price and transaction volume, and turned active and energetic again. However, having considered the unstable global economy, anticipated rising interest rate in the United States of America, and keen and competitive mortgage loan market in Hong Kong, we believe that the property market nowadays in Hong Kong is highly unpredictable and challenging; and that a prudent and cautious approach for conducting our mortgage loan business is necessary and essential.

### 業務回顧

本集團（華耐集團）的主要業務來源為製造及銷售高端鋼水控流產品，而其其他附屬公司則從事製造紙張加工設備、放債業務及電子商務（電子商務）業務。

本集團鋼水控流產品製造廠仍為本集團的主要業務來源，主要從事製造及銷售高端鋼水控流產品，如浸入式水口、塞棒、中間包水口及長水口。於二零一六年，由於鋼鐵業盈利微薄及在全球市場惡化的巨大壓力及挑戰下減少生產，加上鐵礦石價格波動，令中國鋼廠持續艱苦經營。同樣地，為與市場內銷售利潤率較低的其他同業競爭，本集團鋼水控流產品製造廠進一步增加銷售及分銷成本，以維持穩定的銷量。因此，截至二零一六年十二月三十一日止年度，附屬公司的業務及財務表現致力維持於市場內的領先地位。

二零一六年間，香港物業市場在物業價格及交易量方面雙雙出現反彈，再次轉趨活躍並充滿活力。然而考量到全球經濟不穩定，美國調升利息預測及競爭激烈的香港按揭貸款市場，我們相信今日的香港物業市場具有高度不可預測性及挑戰性；採用審慎及謹慎的策略進行按揭貸款業務實屬必要且至關重要。

# Management Discussion and Analysis

## 管理層討論與分析

Time Credit Limited (TCL), the subsidiary of the Group engaged in money lending business in Hong Kong under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) had developed sound and effective business growth. This subsidiary mainly generated good revenues on first mortgage property loans to customers for their long and short term financial needs. The well-established and recognized brand name of “TCL” maintained the loan portfolio that contributed to a steady growth of our customer base and market share during the year 2016.

On 8 March 2016, the subsidiary (TCL) as the lender entered into the loan agreement with the borrower (an independent third party) pursuant to which the lender had agreed to grant a loan of HK\$110 million to the borrower for a term of 12 months. And the loan agreement constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

In recent years, the e-commerce industry in Asia Pacific has been hypercompetitive, retailers are moving beyond competing on price to competing on logistics, getting packages to more people with greater speed and security. And retailers with a stake in the future of e-commerce cannot settle for low prices alone, but must continue advancing their own capabilities.

The IT business subsidiary of the Group that we named as “Soaring or VTZero”, has principally engaged in the e-commerce industry specializing on B2C retailing through the eBay and Amazon platforms and internet wholesale businesses with a focus on overseas consumers, logistics management and sourcing. Our e-commerce business has kept up with the market innovation and trends on our product sales in overseas markets, with our logistics in easy pick up locations and efficient delivery. During the year 2016, the enterprise had continued growing their business on existing platform with remarkable results in revenue. Besides, it also generated good revenue in its IT project solution for different type of corporate customers.

本集團的附屬公司友邦信貸有限公司（「TCL」）於香港從事香港法例第163章放債人條例項下之放債業務，並已取得理想及有效的業務增長。此附屬公司主要在向客戶提供首次物業按揭貸款以應付彼等的長期及短期財務需要方面產生理想收益。於二零一六年，「TCL」的良好及獲認可品牌維持有助客戶基礎及市場佔有率穩定增長的貸款組合。

於二零一六年三月八日，附屬公司TCL作為放款人與借款人（一名獨立第三方）訂立一份貸款協議，據此，放款人已同意向借款人授出1億1,000萬港元的貸款，年期為12個月。貸款協議構成上市規則第14章項下本公司之須予披露交易。

近年亞太區電子商務行業競爭異常激烈，零售商的競爭重點已不在價格，而是在物流方面及以更快和更穩妥的方式向客戶提供產品。著眼發展電子商務的零售商不能單單依靠低廉價格，更需要繼續加強本身能力。

我們命名為「Soaring或VTZero」的本集團資訊科技附屬公司主要從事透過eBay及亞馬遜平台進行集中於B2C零售的電子商務行業及集中於海外消費者、物流管理及採購的互聯網批發業務。我們的電子商務緊貼海外市場就我們的產品銷售方面的市場革新及趨勢，而我們的物流亦具備取貨地點方便及付運高效的優勢。於二零一六年，企業在現有平台上持續發展業務，並取得可觀收益。此外，企業亦自旗下針對不同類型企業客戶的資訊科技項目解決方案產生豐厚收入。

# Management Discussion and Analysis

## 管理層討論與分析

### Consolidation in Customer Base

Building on its strong reputation in the industry and leading technologies in the design and manufacturing of advanced steel flow control products, the major business of the Group has further consolidated its customer base in the PRC market. During the year ended 31 December 2016, the Group has well-secured business with strategic customers. Meanwhile, the Group continued to be the key supplier of the top 10 steel manufacturers in the PRC, including Baosteel Group, Shougang Group, Hebei Group and Wuhan Steel. Going forward, the Group will continue to explore business opportunities with domestic steel manufacturers to drive further business growth.

### Expanded Overseas Market

During the year under review, the global economy has a moderate recovery and the management understands the importance of diversifying its customer base and has devoted substantial efforts to further expand the overseas market. The steel flow control product subsidiary of the Group has built up the reputation of the brand “Sinoref” among the steel industry over the years and has successfully gained a good reputation of many of the world’s most renowned steel manufacturers, including: the world’s largest steel and mining company, ArcelorMittal; and the world’s largest manufacturer, processor and distributor of special long steel products, Carboref GmbH. During the period under review, the Group recorded an overseas revenue from approximately RMB31 million in 2015 to approximately RMB27.4 million in 2016. The Group will continue to enhance its global brand awareness of Sinoref with the view to strive for a leading position in the industry.

### 鞏固客戶基礎

基於本集團在業界的良好聲譽及在設計和製造高端鋼水控流產品方面的領先技術，本集團的主要業務已進一步鞏固了中國市場的客戶基礎。於截至二零一六年十二月三十一日止年度，本集團已獲得與戰略客戶的業務。同時，本集團仍是中國十大鋼廠的主要供應商，包括寶鋼集團、首鋼集團、河北集團及武漢鋼鐵。展望未來，本集團將繼續與國內鋼廠一併發掘商機，進一步推動業務增長。

### 擴充海外市場

於回顧年度，全球經濟溫和復甦，而管理層清楚了解顧客群多元化的重要性，並付出巨大努力進一步擴張海外市場。經過多年耕耘，本集團的鋼水控流產品附屬公司已在鋼鐵行業打響「Sinoref」品牌並成功獲得多家全球知名鋼鐵生產企業的青睞，包括世界最大的鋼鐵及礦業公司ArcelorMittal及世界最大的超長鋼材產品製造商、加工商及分銷商Carboref GmbH。於回顧期間，本集團錄得海外收入由二零一五年約人民幣3,100萬元至二零一六年約人民幣2,740萬元。本集團將繼續提升Sinoref品牌的國際知名度，鞏固本集團在業界的領先地位。

# Management Discussion and Analysis

## 管理層討論與分析

### Enhanced Research and Development

For the year ended 31 December 2016, one of the Group's PRC subsidiaries has attained four new registered invention patents. This brings the Group's total to 33 registered patents as at the end of the year. Its strong research and development capability is a core competitive edge of Sinoref that has helped the subsidiary become China's second largest advanced steel flow control product manufacturer in China.

Apart from further developing its steel flow control products business, the Group has also been seeking potential opportunities in steel-related as well as non-steel related businesses. During the period under review, the Group significantly boosted its investment in research and development to further diversify its business. For the year ended 31 December 2016, Sinoref's research and development team has 39 professionals, and the expenses on research and development amounted to approximately RMB26.6 million, representing approximately 7.4% of the Group's total revenue.

As a result, the Group has adopted a number of leading self-developed technologies which enable the Group to enjoy a preferential tax rate as a Chinese High-tech Enterprise, supporting future earnings to record new heights.

### 加強研發

截至二零一六年十二月三十一日止年度，本集團其中一間中國附屬公司取得四項新註冊發明專利。這令本集團於年末合共擁有33項註冊專利。強大的研發能力是華耐的核心競爭優勢，幫助附屬公司在中國成為中國第二大高端鋼水控流產品製造商。

除了進一步發展鋼水控流產品業務外，本集團也一直在鋼鐵相關及非鋼鐵相關業務中尋求潛在商機。於回顧期間，本集團顯著加大研發投資力度，以進一步增加業務種類。截至二零一六年十二月三十一日止年度，華耐的研發團隊有39名專業人員，研發費用約為人民幣2,660萬元，約佔本集團總收入的7.4%。

因此，本集團已採用了多項領先的自主研發技術，該等自主研發技術能讓本集團享有中國高新技術企業優惠稅率，支持未來盈利以創新高。

# Management Discussion and Analysis

## 管理層討論與分析

### FINANCIAL REVIEW

#### Revenue

For the year ended 31 December 2016, the Group's revenue was approximately RMB357.8 million (2015: RMB288.9 million). The increase in revenue was mainly due to (i) the Group's e-commerce business expansion in overseas market; and (ii) the significant drop in its average selling price to boost its sales. Total sales volume of advanced steel flow control products decreased by approximately 34% to approximately 9,920 tonnes from 14,939 tonnes for the year ended 31 December 2016.

#### Cost of Sales

The Group's cost of sales mainly comprised costs of raw materials, labour, depreciation and other direct costs of sales. During the year, the Group's cost of sales increased by approximately 8% from RMB315.5 million in 2015 to approximately RMB340.7 million in 2016. The significant increase was mainly attributable to the increase in the sale volume during the year.

#### Gross Profit/(Loss)

The Group experienced a gross profit of approximately RMB17.1 million for the year ended 31 December 2016. For the year ended 31 December 2015, the Group recorded a gross loss of approximately RMB26.5 million. The gross profit was mainly resulted from the effective cost control in money lending and e-commerce business, however, due to the sluggish market demand, gross loss still occur in steel industry.

### 財務回顧

#### 收入

截至二零一六年十二月三十一日止年度，本集團的收入約為人民幣3億5,780萬元（二零一五年：人民幣2億8,890萬元）。收入增加乃主要由於(i)本集團於海外市場擴展電子商務業務；及(ii)大幅降低平均售價以增加銷售。高端鋼水控流產品的總銷售量由14,939噸減少約34%至截至二零一六年十二月三十一日止年度的約9,920噸。

#### 銷售成本

本集團的銷售成本主要包括原材料成本、勞工成本、折舊及其他直接銷售成本。於本年度，本集團的銷售成本自二零一五年的人民幣3億1,550萬元增加約8%至二零一六年的約人民幣3億4,070萬元。銷售成本大幅增加，主要是由於年內銷售量增加所致。

#### 毛利／(毛損)

本集團於截至二零一六年十二月三十一日止年度錄得毛利約人民幣1,710萬元。截至二零一五年十二月三十一日止年度，本集團錄得毛損約人民幣2,650萬元。毛利主要由於放債及電子商務業務的有效成本控制。然而，由於市場需求萎縮，故鋼鐵行業仍產生毛損。

# Management Discussion and Analysis

## 管理層討論與分析

### Impairment Loss

As the repayment ability of Chinese steel enterprises deteriorates, an impairment loss for trade receivables amounted to approximately RMB2.0 million has been recognised for the year ended 31 December 2016.

During the year ended 31 December 2015, due to unsatisfactory performance of certain business segments, the Group recognised impairment loss on various of assets of approximately RMB143.49 million.

### Selling and Distribution Costs

The Group's selling and distribution costs comprised sales commissions, sales staff costs and transportation costs. During the year under review, its selling and distribution costs decreased to approximately RMB20.3 million, representing a decrease of approximately 31.3% from approximately RMB29.6 million for the previous year. The decrease was mainly attributable to the decrease in sales commission and transportation costs.

### Administrative Expenses and Other Expenses

The Group's administrative expenses and other expenses increased by approximately 43.6% from approximately RMB67.2 million for year ended 31 December 2015 to approximately RMB96.5 million for the year ended 31 December 2016. The Group has devoted resources to research and development, amounting to approximately RMB26.6 million for the year ended 31 December 2016 for creating more new products to meet with its customers' needs.

### 減值虧損

由於中國鋼鐵企業還款能力變差，引致於截至二零一六年十二月三十一日止年度確認貿易應收款項的減值虧損約人民幣200萬元。

於截至二零一五年十二月三十一日止年度，由於若干業務分部表現未如理想，本集團確認各項資產的減值虧損約為人民幣1億4,349萬元。

### 銷售及分銷成本

本集團的銷售及分銷成本包括銷售佣金、銷售員工成本及運輸成本。於回顧年度內，其銷售及分銷成本減少至約人民幣2,030萬元，自去年的約人民幣2,960萬元減少約31.3%。該減少乃主要由於銷售佣金及運輸成本減少所致。

### 行政開支及其他開支

本集團的行政開支及其他開支自截至二零一五年十二月三十一日止年度的約人民幣6,720萬元增加約43.6%至截至二零一六年十二月三十一日止年度的約人民幣9,650萬元。本集團投放資源於研發活動，於截至二零一六年十二月三十一日止年度投放了約人民幣2,660萬元以創造更多新產品滿足客戶需要。



# Management Discussion and Analysis

## 管理層討論與分析

### Finance Costs

The Group's finance costs were approximately RMB5.5 million for the year ended 31 December 2016 (2015: RMB2.4 million). The interest rate for bank loan was at a fixed interest rate of 4.92% per annum (2015: 6.4% per annum).

### Taxation

The PRC steel flow product manufacturing subsidiary of the Company has successfully obtained the Chinese High-tech Enterprise Certification (中國高新技術企業認證). Consequently, this PRC subsidiary is entitled to the PRC Enterprise Income Tax ("EIT") rate of 15% until 31 December 2017. The EIT rate for another PRC subsidiary of the Company engaged in production of paper machineries is 25%.

### Loss for the Year

As a result of the challenging conditions, the Group's loss for the year was approximately RMB137.9 million, compared to approximately RMB271.3 million for the previous year. The loss was mainly due to a combination of factors, which include (i) the significant drop of its average product price; and (ii) early redemption of promissory note. The Group's loss per share decreased from RMB14.14 cents for the year ended 31 December 2015 to RMB4.86 cents in 2016.

### Final Dividends

The Board does not recommend the payment of a final dividend for year ended 31 December 2016 (2015: Nil).

### 財務成本

於截至二零一六年十二月三十一日止年度，本集團的財務成本約為人民幣550萬元（二零一五年：人民幣240萬元）。銀行貸款利率為固定年利率4.92%（二零一五年：年利率6.4%）。

### 稅項

本公司的中國鋼水控流產品製造附屬公司成功取得中國高新技術企業認證。因此，該中國附屬公司須按15%的稅率繳納中國企業所得稅（「企業所得稅」）至二零一七年十二月三十一日止。本公司另一家從事生產造紙機的中國附屬公司的企業所得稅稅率為25%。

### 年內虧損

基於情況具挑戰性，本集團的年內虧損約為人民幣1億3,790萬元，而上一年度錄得約人民幣2億7,130萬元。虧損主要是由於多個因素的共同影響，其中包括(i)產品平均價格大幅下跌；及(ii)提前贖回承兌票據。本集團的每股虧損由截至二零一五年十二月三十一日止年度的人民幣14.14分減少至二零一六年度的人民幣4.86分。

### 末期股息

董事會不建議派付截至二零一六年十二月三十一日止年度的末期股息（二零一五年：無）。

# Management Discussion and Analysis

## 管理層討論與分析

### Capital Structure, Liquidity and Financial Resources

During the year ended 31 December 2016, the Group's net cash used in operating activities was approximately RMB168.8 million (2015: net cash used in operating activities RMB121.1 million) and the Group's bank balances and cash was approximately RMB40.1 million (2015: RMB83.7 million).

Total equity of the Group as at 31 December 2016 was approximately RMB563.9 million (2015: RMB549.5 million). The Group has an outstanding bank and other loan and promissory notes of approximately RMB84.5 million and RMB195.7 million, respectively as at 31 December 2016 (2015: RMB20.4 million and RMB207.7 million).

### Material Acquisitions and Disposals of Subsidiaries and Associated Companies

During the year ended 31 December 2016, except for investments in its subsidiaries, the Company did not hold any significant investment in equity interest in any other company.

### Pledge of Assets

As at 31 December 2016, the Group pledged certain of its buildings and leasehold land with aggregate net carrying value of approximately RMB0.80 million (2015: RMB1.69 million) as collaterals for the bank loan granted to the Group. Gearing ratio is calculated based on total debt at the end of the year divided by total assets at the end of the year multiplied by 100%. As at 31 December 2016, the gearing ratio of the Group was 23.0% (2015: 26%).

### 資本架構、流動資金及財務資源

於截至二零一六年十二月三十一日止年度，本集團經營活動所用現金淨額約為人民幣1億6,880萬元（二零一五年：經營活動所用現金淨額為人民幣1億2,110萬元），本集團的銀行結餘及現金約為人民幣4,010萬元（二零一五年：人民幣8,370萬元）。

本集團於二零一六年十二月三十一日的權益總額約為人民幣5億6,390萬元（二零一五年：人民幣5億4,950萬元）。於二零一六年十二月三十一日，本集團的未償還銀行及其他貸款及承兌票據分別約為人民幣8,450萬元及人民幣1億9,570萬元（二零一五年：人民幣2,040萬元及人民幣2億770萬元）。

### 重大收購及出售附屬公司及聯營公司

於截至二零一六年十二月三十一日止年度，除投資其附屬公司外，本公司概無於任何其他公司持有任何重大股權投資。

### 資產抵押

於二零一六年十二月三十一日，本集團已將若干賬面淨值總額約為人民幣80萬元（二零一五年：人民幣169萬元）的樓宇及租賃土地抵押，以作為本集團獲授銀行貸款之抵押品。資產負債比率乃按年末總負債除以年末總資產乘以100%計算。於二零一六年十二月三十一日，本集團資產負債比率為23.0%（二零一五年：26%）。

# Management Discussion and Analysis

## 管理層討論與分析

### CONTINGENT LIABILITIES

As at 31 December 2016, the Group had not provided any form of guarantee for any company outside the Group. The Group is not involved in any current material legal proceedings, nor is the Group aware of any pending or potential material legal proceedings involving the Group.

### HUMAN RESOURCES AND STAFF REMUNERATION

As at 31 December 2016, the Group had 438 staff members employed in mainland China and Hong Kong (2015: 455). Total staff costs for the year were approximately RMB39.2 million (2015: RMB42.9 million). During the year, the Group continued to reinforce the training to its staff by providing training and study opportunities for management staff and professional technicians. In addition, the Group has provided a timely update to all staff about the latest government policies of the industry to continuously enhance the professional standard and quality of the staff.

Meanwhile, the Group has provided competitive remuneration for staff which encourages them to commit themselves and serve customers wholeheartedly. The Group operates share option scheme for the purpose to provide incentives and rewards to eligible directors and employees of the Group who contribute to the success of the Group's operations. The Group granted 80 million share options to its eligible employees during the financial year as announced on 13 January 2016. The remuneration payable to the senior management of the Company (excluding Directors and chief executive) for the year ended 31 December 2016 is within the range of HK\$0 to HK\$1,000,000.

### 或然負債

於二零一六年十二月三十一日，本集團並無向本集團以外的任何公司提供任何形式的擔保。本集團目前並無涉及任何重大法律訴訟，亦不知悉有任何涉及本集團的未決或潛在的重大法律訴訟。

### 人力資源及員工薪酬

於二零一六年十二月三十一日，本集團於中國大陸及香港共有438名員工（二零一五年：455名）。本年度的員工成本總額約為人民幣3,920萬元（二零一五年：人民幣4,290萬元）。年內，本集團繼續加強員工培訓工作，向管理人員和專業技術人員提供培訓及學習的機會。此外，本集團亦及時向所有員工提供政府的最新行業政策方面的資訊，不斷提高員工的專業水平及質素。

同時，本集團還向其員工提供有競爭力之薪酬，鼓勵彼等全心全意為客戶服務。本集團設有一項購股權計劃，目的是向對本集團營運的成功作出貢獻之本集團合資格董事及僱員提供獎勵及報酬。如二零一六年一月十三日公佈，於本財政年度，本集團向其合資格僱員授出80,000,000份購股權。截至二零一六年十二月三十一日止年度，應付本公司高級管理層（不包括董事及行政總裁）薪酬範圍介乎零港元至1,000,000港元不等。

# Management Discussion and Analysis

## 管理層討論與分析

### PROSPECTS

According to the International Monetary Fund (IMF), GDP growth rate in the Asia Pacific region are expected to hold steady in 2017, despite the geopolitical tensions, disruptive asset price shifts, stagnation and low inflation in advanced economies. The region will continue outperforming the rest of the world over the medium term; while the Chinese economy is shifting to a more sustainable pace, growth is projected to pick up elsewhere in the region. Recently the IMF has upgraded its growth forecast for the Chinese economy for the year 2017 to 6.5 percent, and 2017 is considered to be a more challenging year for our Group as compared to the situation in 2016.

World crude steel production for the 67 countries reporting to the worldsteel was 136.5 Mt in January 2017, a 7.0% increase compared to January 2016; and 126.6 Mt in February 2017, a 4.1% increase compared to February 2016. Overcapacity of steel is a worldwide industry problem and efforts by Chinese government and enterprises to restructure the steel industry and reduce excess capacity in China have made headways. The Commerce Ministry of China has commented that the steel mills in China are battling losses and overcapacity, and Chinese steelmakers are not engaged in dumping of surplus goods into the European Union (EU). China is both the world's largest steel producer and consumer. The BMI Research forecast has said that a domestic monthly demand in China will narrow the global steel market surplus to 3.2 Mt in 2017 from 10.9 Mt in 2016. And a recent report by BMI Research has also commented that China will produce 825 Mt of crude steel in 2017, a 0.5 % increase from 2016; and will consume 87% of this production.

Our subsidiary engaged in steel flow control product manufacturing will closely monitor the industrywide policies and their impacts in market. It will continue applying its leading technologies to meet those evolving production requirements of the steel manufacturers.

### 展望

根據國際貨幣基金組織(IMF)，儘管地緣政治局勢緊張、資產價格出現干擾性變動及發達經濟體經濟停滯及出現低通脹，亞太區於二零一七年的國內生產總值增長率預期將維持穩定。區內表現於中期內將繼續較全球其他地區優勝，而中國經濟正轉為以更具持續性的步伐發展，同時區內其他國家的增長亦預期會加速。最近國際貨幣基金組織上調其二零一七年中國經濟增長預測至6.5%，而與二零一六年相比，二零一七年被視為對本集團來說更具挑戰性的一年。

於二零一七年一月，67個向世界鋼鐵協會匯報的國家的全球粗鋼產量為136.5百萬噸，與二零一六年一月相比增加7.0%；於二零一七年二月為126.6百萬噸，與二零一六年二月相比增加4.1%。鋼鐵產能過剩為全球性行業問題，中國政府及企業重組鋼鐵業及減少產能過剩的努力已取得進展。中國商務部指出，中國的鋼廠面對虧損及產能過剩，且中國鋼廠並未向歐盟(EU)傾銷過剩產品。中國同時為全球最大的鋼鐵生產國與消費國。BMI Research預測指出，中國每月內需將令全球鋼鐵市場過剩由二零一六年的10.9百萬噸收窄至二零一七年的3.2百萬噸。最近BMI Research的報告亦指出，中國二零一七年將生產825百萬噸粗鋼，與二零一六年相比增加0.5%，並將消耗該產量的87%。

我們從事製造鋼水控流產品的附屬公司將密切監察行內政策及其對市場的影響，並繼續應用其領先科技以應付鋼廠不斷演變的生產需求。

# Management Discussion and Analysis

## 管理層討論與分析

### Money lending business

According to the Hong Kong 2016/2017 budget, the forecasted GDP growth rate for 2016 is one to two percent, which is lower than the growth rate of 2015. To remain competitive in the market, TCL our money lending subsidiary has engaged more efforts in advertising and referral business, so as to promote our money lending products and services in an effective manner. In the view to expand the customer bases and existing portfolio, its loan policy will continue to adopt prudent and flexible business strategies and adjust to market and environmental changes accordingly.

The tightening measures in mortgage rates and a supervisory role in banks' credit assessments that the HKMA implemented have provided a significant part of growth for the non-bank moneylenders, whom are less regulated and can benefit from the flexible loan-to-value rates and interest rates. The seamless and efficient approval process of these non-bank moneylenders have attracted a growing number of homebuyers and individual loan borrowers. We notice the latest market trends and understand our competitive threats, plan cautiously and prudentially on our corporate strategy to engage our money lending business in a safe and profitable manner in Hong Kong. To minimize the potential credit and default risks in our mortgage loans and interest receivables, we continued to tighten our credit policy when granting mortgage loans to our customers and to re-balance and adjust our mortgage loan portfolio by providing more first-mortgage loan products to our high net worth customers with sound credit history and quality.

Looking forward, the subsidiary will continue to seize business opportunities on the increasing demand for such mortgage loans, promote its brand name and expand its loan portfolio and customer base by its own channels and through cooperation with strategic partners. It will continue focusing on first-mortgage property loans business and are confident about the future performance of its property mortgage loan portfolio, interest income and profit; and we believe that it will generate promising returns to our shareholders.

### 放債業務

根據二零一六／二零一七年度香港財政預算案，預測二零一六年的本地生產總值增長率為一至兩個百分點，較二零一五年的增長率低。為了維持市場競爭力，我們的放債附屬公司TCL已投放更多資源於廣告及轉介業務，從而以有效方式宣傳其放債產品及服務。為了擴闊客戶基礎及現有組合，其貸款政策將繼續採用審慎及具靈活性的業務策略，並因應市場及環境轉變作出調整。

香港金融管理局所實施收緊按揭利率的措施及對銀行信貸評估的監管角色為非銀行放債人的增長帶來重要動力，其所受的監管較為寬鬆，並可受惠於靈活的貸款與估值比率及利率。此等非銀行放債人的審批程序連貫高效，吸引到愈來愈多的置業人士及個別借貸人。我們注意到最新的市場趨勢及明白到我們面對的競爭威脅。我們謹慎及審慎計劃企業策略，以穩健及有利可圖的方式於香港經營我們的放債業務。為將我們的按揭貸款及應收利息的潛在信貸及違約風險減至最低，我們繼續向客戶授出按揭貸款時收緊信貸政策，並通過向我們信用歷史及質素穩健的高淨值客戶提供更多首次按揭貸款產品，再平衡及調整按揭貸款組合。

展望將來，附屬公司將把握此按揭貸款需求日增所帶來的商機，宣傳其品牌及透過其本身的渠道及與戰略夥伴合作擴闊其貸款組合及客戶基礎。其將繼續著重首次物業按揭貸款業務，並對其物業按揭貸款組合的未來表現、利息收入及溢利充滿信心，我們亦深信其將為股東帶來可觀回報。

# Management Discussion and Analysis

## 管理層討論與分析

### E-commerce business

Year-by-year, the advancement in the e-commerce technology and the rising competition among online stores have raised the expectations that people have around e-commerce platforms. However, there is no single 'one-size-fits-all' e-commerce platform solution that will work for every business.

Our IT subsidiary engaged principally in the e-commerce business, specializing on B2C retailing through the platforms including Amazon and eBay with focus on overseas consumers in existing logistics network, will be developing new e-commerce products. These products will provide a marketplace, shopping cart channel, and inventory management that help sellers manage product listings across different sites and manage all inventory moves across different channels and build own warehouses in Middle America, East of United States and UK etc.

In future, this subsidiary will further extend its e-commerce business with sales channels through new platforms like Walmart and Cdiscount and develop more business in the non-English speaking markets, such as Western European countries, Japan and India. Besides, it will continue serving different corporate customers for their IT solution projects.

### Bonus Warrant Issue

On 8 December 2015, Sinoref Holdings Limited (the "Company") had issued a circular relating to the Bonus Warrant Issue. In early January 2016, the Company obtained from the Listing Committee of the Stock Exchange approval for the listing of and permission to deal in the Warrants and the Warrant Shares which may fall to be issued upon exercise of the subscription rights attaching to the Warrants.

### 電子商務業務

電子商務科技的發展及網上商店之間不斷加劇的競爭令外界對電子商務平台的期望逐年增加。然而，適合各行各業的單一「一體適用」電子商務平台解決方案並不存在。

我們的資訊科技附屬公司主要從事電子商務業務，並透過包括亞馬遜及eBay平台專注於B2C零售及集中於現有物流網絡的海外消費者。該公司日後將發展新的電子商務產品，而這些產品將提供一個市場及購物手推車渠道，以及協助售賣者管理不同地點的產品組合及管理不同渠道之間的所有存貨流動的存貨管理服務，並於中美洲、美國東部及英國等地建造自己的貨倉。

未來，該附屬公司將進一步透過如Walmart及Cdiscount的新平台拓展其電子商務業務銷售渠道，並於非英語市場（如西歐國家、日本及印度）發展更多業務。此外，該附屬公司將繼續為不同的企業客戶的資訊科技解決方案項目提供服務。

### 紅利發行認股權證

於二零一五年十二月八日，華耐控股有限公司（「本公司」）刊發有關紅利發行認股權證的通函。於二零一六年一月初，本公司獲聯交所上市委員會批准將認股權證及於行使認股權證隨附的認購權時可能發行的認股權證股份上市及買賣。

# Management Discussion and Analysis

## 管理層討論與分析

A total of 513,845,600 Warrants were issued by the Company to the Shareholders pursuant to the Bonus Warrant Issue, represented by the Warrant certificates, conferring the rights in their registered form to the holders thereof to subscribe in cash for 513,845,600 Warrant Shares at an initial subscription price of HK\$0.30 per Warrant Share during the period from 13 January 2016 to 12 July 2017. The stock code of the Warrants is 1562 and the Warrants are traded in board lots of 4,000 units each. Dealings in the Warrants on the Stock Exchange commenced on 14 January 2016.

Facing the changing market situations, the Group will continue to implement different prudent and stable operation strategies, based on the solid foundation laid down over the past years. In fact, our efforts and business improvements in recent years have been recognized and have attracted various strategic investors for possible investments on our Group that we have made our announcement in May 2016. In the long run, the Group will continue making strategic choices and create commercial synergies among subsidiary businesses to develop their existing and potential growth areas and evaluate suitable investments that help generate more and stable income streams.

### COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company had complied with all the code provisions (the "Code Provisions") as set out in the Corporate Governance Code and Corporate Governance Report, contained in Appendix 14 to the Listing Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") during the year ended 31 December 2016, except for Code Provision A.6.7 in respect of the attendance of independent non-executive directors and other non-executive directors in the general meetings.

本公司根據紅利發行認股權證向股東發行合共513,845,600份以認股權證證書代表的認股權證，以記名方式賦予其持有人權利於二零一六年一月十三日至二零一七年七月十二日期間按初步認購價每股認股權證股份0.30港元以現金認購513,845,600股認股權證股份。認股權證之股份代號為1562，而每手買賣單位為4,000份認股權證。認股權證於二零一六年一月十四日開始於聯交所買賣。

面對不斷改變的市場環境，本集團將立於過去幾年所奠定的穩固基礎之上，繼續實施不同的謹慎而穩健的經營策略。事實上，我們近幾年的努力及業務進展已獲得認可，並吸引不同的策略投資者對本集團作出潛在投資，詳情載於我們於二零一六年五月作出的公告當中。長遠而言，本集團將繼續作出戰略性選擇，並創造附屬公司業務之間的商業協同效益，以發展彼等現有及具增長潛力的業務範圍，並評估有助產生更多且穩定收入來源的合適投資。

### 遵守企業管治常規守則

本公司於截至二零一六年十二月三十一日止年度一直遵守香港聯合交易所有限公司（「聯交所」）證券上市規則附錄十四所載之企業管治守則及企業管治報告之所有守則條文（「守則條文」），惟並無遵守守則條文第A.6.7條有關獨立非執行董事及其他非執行董事出席股東大會的規定。

# Management Discussion and Analysis

## 管理層討論與分析

According to Code Provision A.6.7, independent non-executive Directors and other non-executive Directors should attend general meetings and develop a balanced understanding of the views of shareholders. Due to other business engagements, two independent non-executive Directors and one of the non-executive Directors could not attend the 2015 annual general meeting held on 10 June 2016; and two independent non-executive Directors could not attend the extraordinary general meeting held on 25 October 2016. However, both at the 2015 annual general meeting and the 2016 extraordinary general meeting, executive Directors and other non-executive Directors were present to enable the Board to develop a balanced understanding of the views of the shareholders of the Company.

### COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted a code of conduct (the “Code of Conduct”) regarding directors’ securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, all Directors have confirmed that they had complied with the required standard set out in the Code of Conduct during the year ended 31 December 2016.

### REVIEW OF ACCOUNTS

The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group and the consolidated financial statements for the year ended 31 December 2016.

根據守則條文第A.6.7條，獨立非執行董事及其他非執行董事應出席股東大會及對股東的意見有公正的瞭解。由於其他公務事宜，兩名獨立非執行董事及一名非執行董事未能出席於二零一六年六月十日舉行之二零一五年股東週年大會；及兩名獨立非執行董事未能出席於二零一六年十月二十五日舉行之股東特別大會。然而，於二零一五年股東週年大會及二零一六年股東特別大會上，執行董事及其他非執行董事之出席足以使董事會對本公司股東的意見有公正的瞭解。

### 遵守上市發行人董事進行證券交易的標準守則

本公司已採納有關董事進行證券交易的操守守則（「操守守則」），其條款的嚴格程度不下於上市規則附錄十所載上市發行人董事進行證券交易的標準守則所載的規定標準。經向全體董事作出具體查詢後，全體董事已確認彼等於截至二零一六年十二月三十一日止年度內一直遵守操守守則所載的規定標準。

### 審閱賬目

審核委員會已連同本公司管理層審閱本集團採納之會計原則及慣例，以及截至二零一六年十二月三十一日止年度之綜合財務報表。



# Management Discussion and Analysis

## 管理層討論與分析

### SCOPE OF WORK OF MESSRS. ELITE PARTNERS CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2016 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Elite Partners CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Elite Partners CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Elite Partners CPA Limited on the preliminary announcement.

### PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year.

### 開元信德會計師事務所有限公司的工作範圍

本集團的核數師開元信德會計師事務所有限公司就本集團初步公佈所載的截至二零一六年十二月三十一日止年度之綜合財務狀況表、綜合損益及其他全面收益表及有關附註公佈的數字與本集團的經審核綜合財務報表進行比較，結果與該年度經審核綜合財務報表相符。由於開元信德會計師事務所有限公司就此進行的工作不構成根據香港會計師公會頒佈的香港審計準則、香港審閱聘用準則或香港核證聘用準則而進行的核證聘用，因此開元信德會計師事務所有限公司不對本初步業績公佈發表任何核證。

### 購買、出售或贖回本公司上市證券

年內，本公司或其任何附屬公司並無購買、出售或贖回任何本公司上市證券。

# Corporate Governance Report

## 企業管治報告

The Board hereby presents this Corporate Governance Report in the Group's annual report for the year ended 31 December 2016.

The Board is committed to maintaining a high standard of corporate governance and endeavours in following the code provisions ("Code Provisions") as set out in the Corporate Governance Code ("CG Code") and Corporate Governance Report, contained in Appendix 14 to the Rules ("Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange"). The Board considers such commitment is essential for the growth of the Group and for maximising the interest of the shareholders ("Shareholders") of the Company. The Company regularly reviews its corporate governance practices to ensure that the latest development in corporate governance can be followed and observed.

### CORPORATE GOVERNANCE PRACTICES

During the financial year under review, the Company had complied with all the code provisions (the "**Code Provisions**") as set out in the Corporate Governance Code and Corporate Governance Report, contained in Appendix 14 to the Listing Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") during the year ended 31 December 2016, except for Code Provision A.6.7 in respect of the attendance of independent non-executive directors and other non-executive directors in the general meetings.

According to Code Provision A.6.7, independent non-executive Directors and other non-executive Directors should attend general meetings and develop a balanced understanding of the views of shareholders. Due to other business engagement, the independent non-executive Directors and one of the non-executive Directors could not attend the 2015 annual general meeting held on 10 June 2016. However, at the 2015 annual general meeting, executive Directors and other non-executive Directors were present to enable the Board to develop a balanced understanding of the views of the shareholders of the Company.

董事會謹此在本集團截至二零一六年十二月三十一日止年度之年報中呈列本企業管治報告。

董事會致力維持高水準之企業管治，並竭盡所能遵行香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載企業管治守則（「企業管治守則」）及企業管治報告的守則條文（「守則條文」）。董事會認為，此項承諾對本集團之發展及使本公司股東（「股東」）的利益最大化等至關重要。本公司定期檢討其企業管治常規，以確保遵行及遵守企業管治之最新發展。

### 企業管治常規

於回顧財政年度，本公司於截至二零一六年十二月三十一日止年度一直遵守香港聯合交易所有限公司（「聯交所」）證券上市規則附錄十四所載之企業管治守則及企業管治報告之所有守則條文（「**守則條文**」），惟並無遵守守則條文第A.6.7條有關獨立非執行董事及其他非執行董事出席股東大會的規定。

根據守則條文第A.6.7條，獨立非執行董事及其他非執行董事應出席股東大會及對股東的意見有公正的瞭解。由於其他公務事宜，獨立非執行董事及一名非執行董事未能出席於二零一六年六月十日舉行之二零一五年股東週年大會。然而，於二零一五年股東週年大會上，執行董事及其他非執行董事之出席足以使董事會對本公司股東的意見有公正的瞭解。

# Corporate Governance Report

## 企業管治報告

### MODEL CODE FOR SECURITIES TRANSACTIONS

The Company adopted on 7 June 2010 its securities dealing code (“Code”) regarding the dealings of securities of the Company by the Directors and senior management of the Group, on terms no less exacting than the required standard under the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules.

The Company, having made specific enquiry of all Directors and senior management of the Group, all the Directors and senior management of the Group have confirmed that they have complied with the required standard as set out in the Code and Appendix 10 to the Listing Rules regarding securities transactions by Directors and senior management of the Group throughout the financial year ended 31 December 2016.

### BOARD OF DIRECTORS

The Board is responsible for the leadership and control of the Company and oversees the Group’s overall strategic policies. The management is delegated with the authority and responsibility by the Board for the management of the Group.

The Board is currently composed of five executive Directors namely Mr. Zhu Min, Mr. Gao Xiang, Mr. Lu Yongchao, Mr. Xu Yejun and Mr. Sin Kwok Wai Ronald; two non-executive Directors, namely Mr. Chow Chi Wa and Ms. Yip Sum Yu; and three independent non-executive Directors, namely Mr. Cao Ke, Mr. Tong Yiu On and Mr. Li Yik Sang. The chief executive officer of the Company is Mr. Gao Xiang. The biographical details of the Directors and the chief executive officer are set out under “Directors and senior management” on pages 48 to 56 of this annual report of the Company for the year ended 31 December 2016.

### 證券交易之標準守則

本公司於二零一零年六月七日就董事及本集團高級管理層進行本公司之證券交易採納一套證券交易守則（「守則」），其條款不遜於上市規則附錄十所載上市發行人董事進行證券交易的標準守則所載的要求標準。

經本公司向所有董事及本集團高級管理層個別作出查詢後，所有董事及本集團高級管理層已確認，於截至二零一六年十二月三十一日止財政年度已就董事及本集團高級管理層進行證券交易遵守守則及上市規則附錄十所載的要求標準。

### 董事會

董事會負責本公司的領導及控制權，並監察本集團的整體策略性政策。管理層履行董事會委託的權力及責任，藉以管理本集團。

董事會現時包括五名執行董事，即朱敏先生、高翔先生、呂永超先生、徐葉君先生及冼國威先生；兩名非執行董事，即周志華先生及葉芯瑜女士；及三名獨立非執行董事，即曹克先生、唐耀安先生及李奕生先生。本公司行政總裁為高翔先生。董事及行政總裁之履歷詳情載於本公司截至二零一六年十二月三十一日止年度之年報第48至56頁「董事及高級管理層」內。

# Corporate Governance Report

## 企業管治報告

Pursuant to the articles of association of the Company, Mr. Wu Ye (appointed as an executive Director on 20 January 2016 ) and Mr. Cao Ke (appointed as an independent non-executive Director on 10 June 2015) retired at the 2015 annual general meeting of the Company and eligible to offer themselves for re-election. Mr. Zhu Min, Mr. Gao Xiang and Mr. Lu Yongchao (all were appointed as an executive Directors on 16 February 2017) shall retire at the 2016 general meeting of the Company and, being eligible, offer themselves for re-election.

The non-executive Directors were appointed for a term of one year, renewable automatically every year and eligible for re-election at the annual general meeting of the Company.

The Board meets regularly to review and determine the corporate strategies and overall strategic policies. Each of the members of the Board has full access to relevant information at the meetings. During the financial year ended 31 December 2016, the Board has convened four regular meetings at which, among other things, the following activities were conducted at such regular meetings:

- (1) approved the annual results and annual report for the financial year ended 31 December 2015 and matters to be considered at the annual general meeting of the Company;
- (2) approved the interim results and interim report for the six months ended 30 June 2016;
- (3) reviewed and approved corporate strategies of the Group for the financial year ending 31 December 2017; and
- (4) reviewed the performance and financial position of the Group.

根據本公司組織章程細則，吳擘先生（於二零一六年一月二十日獲委任為執行董事）及曹克先生（於二零一五年六月十日獲委任為獨立非執行董事）於本公司二零一五年股東週年大會上退任，惟符合資格並願意膺選連任。朱敏先生、高翔先生及呂永超先生（皆於二零一七年二月十六日獲委任為執行董事）將於本公司二零一六年股東大會上退任，惟符合資格並願意膺選連任。

非執行董事獲委任的任期為一年，每年自動續期並符合資格於本公司股東週年大會上膺選連任。

董事會定期召開會議，以檢討及制定企業策略及整體策略性政策。董事會每位成員均有權取閱會議之相關資料。於截至二零一六年十二月三十一日止財政年度，董事會已召開四次定期會議，並在該等定期會議上處理（其中包括）以下事務：

- (1) 批准截至二零一五年十二月三十一日止財政年度之年度業績及年報以及於本公司股東週年大會上審議之事宜；
- (2) 批准截至二零一六年六月三十日止六個月之中期業績及中期報告；
- (3) 審閱及批准本集團於截至二零一七年十二月三十一日止財政年度之企業策略；及
- (4) 檢討本集團之表現及財務狀況。

# Corporate Governance Report

## 企業管治報告

The Board is also responsible for determining the Company's corporate governance policies and performing corporate governance duties set out under the CG Code. Its corporate governance duties include, among others, (i) to develop and review the Company's policies and practices on corporate governance; (ii) to review and monitor the training and continuous professional development of Directors and senior management; (iii) to review and monitor the Company's policies and practices on compliance with legal or regulatory requirements; (iv) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and (v) to review the Company's disclosure in its corporate governance report.

Apart from the regular board meetings, the Board met on other occasions when a board-level decision on a particular matter was required.

Details of the Directors' attendance records at the board meetings and general meeting during the financial year ended 31 December 2016 are as follows:

Directors	Board Meetings	General Meeting
<b>Meetings attended/held</b>		
<b>Executive Directors</b>		
Mr. Xu Yejun	14/24	-/2
Mr. Sin Kwok Wai Ronald	24/24	2/2
Mr. Wu Ye <sup>1</sup>	3/9	-/1
<b>Non-executive Directors</b>		
Mr. Chow Chi Wa	24/24	2/2
Ms. Yip Sum Yu	20/24	1/2
<b>Independent non-executive Directors</b>		
Mr. Tong Yiu On	24/24	1/2
Mr. Li Yik Sang	24/24	1/2
Mr. Cao Ke	22/24	-/2

<sup>1</sup> Appointed on 20 January 2016 and resigned on 10 June 2016

董事會亦負責釐定本公司的企業管治政策及履行載於企業管治守則的企業管治職責。其企業管治職責包括(其中包括)(i)制定及檢討本公司的企業管治政策及常規；(ii)檢討及監察董事及高級管理層的培訓及持續專業發展；(iii)檢討及監察本公司在遵守法律或監管規定方面的政策及常規；(iv)制定、檢討及監察僱員及董事適用的操守準則及合規手冊(如有)；及(v)檢討本公司在其企業管治報告內的披露。

除董事會定期會議外，董事會亦在須對特定事宜作出董事會決策時召開會議。

於截至二零一六年十二月三十一日止財政年度內，董事出席董事會會議及股東大會之記錄詳情如下：

Directors	Board Meetings	General Meeting
<b>Meetings attended/held</b>		
<b>Executive Directors</b>		
Mr. Xu Yejun	14/24	-/2
Mr. Sin Kwok Wai Ronald	24/24	2/2
Mr. Wu Ye <sup>1</sup>	3/9	-/1
<b>Non-executive Directors</b>		
Mr. Chow Chi Wa	24/24	2/2
Ms. Yip Sum Yu	20/24	1/2
<b>Independent non-executive Directors</b>		
Mr. Tong Yiu On	24/24	1/2
Mr. Li Yik Sang	24/24	1/2
Mr. Cao Ke	22/24	-/2

<sup>1</sup> 於二零一六年一月二十日獲委任並於二零一六年六月十日辭任

# Corporate Governance Report

## 企業管治報告

Whilst the Board as a whole is to determine the corporate strategies and overall strategy policies, the executive Directors and senior management of the Company, as delegated by the Board, are responsible for implementing the determined strategies and policies and the day-to-day management of the Group's business.

Save as disclosed under the section headed "Directors and senior management" of this annual report, there is no other relationship (whether financial, business, family or other material/relevant relationships) among the members of the Board.

The Company has received from each of the independent non-executive Directors a written confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all the independent non-executive Directors to be independent.

### DIRECTORS' TRAINING

Pursuant to Code Provision A.6.5 of the CG Code, all directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the board remains informed and relevant. The Company shall be responsible for arranging suitable training for all Directors at the Company's expense.

During the year ended 31 December 2016, the Directors participated in the following trainings:

Directors	Type of training	董事	培訓類型
<b>Executive Directors</b>		<b>執行董事</b>	
Mr. Xu Yejun	B	徐葉君先生	B類
Mr. Sin Kwok Wai Ronald	A, B	冼國威先生	A類、B類
Mr. Wu Ye <sup>1</sup>	B	吳擘先生 <sup>1</sup>	B類

董事會全體負責制定企業策略及整體策略性政策，而執行董事及本公司高級管理層則獲董事會委派負責執行既定的策略及政策以及本集團業務的日常管理。

除本年報「董事及高級管理層」一節所披露外，董事會各成員之間並無任何其他關係（不論財務、業務、家族或其他重大／有關利益之關係）。

根據上市規則第3.13條，本公司已收到各獨立非執行董事有關其獨立性的書面確認。本公司認為所有獨立非執行董事均屬獨立身份。

### 董事培訓

根據企業管治守則的守則條文第A.6.5條，所有董事應持續參加專業的培訓計劃，增加和更新其知識和技能，以確保彼等向董事會作出知情及相關貢獻。本公司須向所有董事安排合適的培訓，費用由本公司承擔。

於截至二零一六年十二月三十一日止年度，董事參加了以下培訓：

# Corporate Governance Report

## 企業管治報告

### Non-executive Directors

Mr. Chow Chi Wa	A, B
Ms. Yip Sum Yu	A, B

### Independent non-executive Directors

Mr. Tong Yiu On	A, B
Mr. Li Yik Sang	A, B
Mr. Cao Ke	B

<sup>1</sup> Appointed on 20 January 2016 and resigned on 10 June 2016

- A: attending seminars and/or conferences and/or forums  
B: reading newspapers, journals, Company newsletters and updates relating to the economy, general business, steel industry or Directors' duties and responsibilities, etc.

### BOARD DIVERSITY POLICY

During the year under review, the Board adopted a board diversity policy setting out the approach to achieve diversity on the Board. The Company considered diversity of Board members can be achieved through consideration of a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board.

### 非執行董事

周志華先生	A類、B類
葉芯瑜女士	A類、B類

### 獨立非執行董事

唐耀安先生	A類、B類
李奕生先生	A類、B類
曹克先生	B類

<sup>1</sup> 於二零一六年一月二十日獲委任並於二零一六年六月十日辭任

- A類：參加研討會及／或會議及／或論壇  
B類：閱讀與經濟、一般業務、鋼鐵行業或董事之職責有關的報紙、雜誌、公司新聞稿及最新資訊等

### 董事會成員多元化政策

回顧年度內，董事會採用董事會成員多元化政策，該政策載列實現董事會成員多元化的方法。本公司認為董事會成員的多元化可通過考慮（包括但不限於）性別、年齡、文化及教育背景、專業經驗、技能及知識等多個方面來實現。董事會所有委任均將以任人唯賢為原則，並且在考慮候選人時以客觀條件充分估計董事會成員多元化的裨益。

甄選候選人將按一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能及知識。最終決定將按候選人的長處及可為董事會提供的貢獻而作出。

## NOMINATION COMMITTEE

The nomination committee of the Company (“Nomination Committee”) is currently consisted of four members, comprising one executive Director, namely Mr. Xu Yejun (chairman) and three independent non-executive Directors, namely Mr. Cao Ke, Mr. Tong Yiu On and Mr. Li Yik Sang. It was established by the Board with effect from 27 March 2012 and its duties are clearly defined in its terms of reference which have been prepared and adopted according to the CG Code.

The Nomination Committee held two meetings during the year under review and conducted the following activities:

- (1) reviewed the structure, size and diversity of the Board; and
- (2) reviewed the retirement of Directors by rotation and the re-appointment of the retiring Directors at the 2015 annual general meeting of the Company.

Details of attendance of each member of the Nomination Committee during the financial year ended 31 December 2016 are as follows:

	Attendance
<b>Executive Director</b>	
Mr. Xu Yejun ( <i>Chairman</i> )	2/2
<b>Independent non-executive Directors</b>	
Mr. Cao Ke	2/2
Mr. Tong Yiu On	2/2
Mr. Li Yik Sang	2/2

## 提名委員會

本公司提名委員會（「提名委員會」）目前由四名成員組成，包括一名執行董事，即徐葉君先生（主席）及三名獨立非執行董事，即曹克先生、唐耀安先生及李奕生先生。提名委員會由董事會於二零一二年三月二十七日成立，其職責已在按照企業管治守則編製及採納之職權範圍中清楚界定。

提名委員會於回顧年度內舉行了兩次會議並處理以下事項：

- (1) 審查董事會結構、人數及多元化；及
- (2) 審閱於本公司二零一五年股東週年大會上輪流退任董事及重新委任退任董事。

於截至二零一六年十二月三十一日止財政年度，提名委員會每名成員之出席詳情載列如下：

	出席率
<b>執行董事</b>	
徐葉君先生（主席）	2/2
<b>獨立非執行董事</b>	
曹克先生	2/2
唐耀安先生	2/2
李奕生先生	2/2



# Corporate Governance Report

## 企業管治報告

### REMUNERATION COMMITTEE

The remuneration committee of the Company (“Remuneration Committee”) currently comprises four members, including three independent non-executive Directors, namely Mr. Cao Ke (chairman), Mr. Tong Yiu On and Mr. Li Yik Sang, and one executive Director, namely Mr. Xu Yejun. The Remuneration Committee was established by the Board on 7 June 2010 and its duties are clearly defined in its written terms of reference which have been prepared and adopted according to the Code Provisions.

The Remuneration Committee meets annually to review the remuneration policies and packages for Directors and senior management of the Company and to make recommendations to the Board on such remuneration policies and packages. No Director takes part in any discussions and decisions about his own remuneration.

Details of attendance of each member of the Remuneration Committee during the financial year ended 31 December 2016 are as follows:

	Attendance		出席率
<b>Executive Director</b>		<b>執行董事</b>	
Mr. Xu Yejun	2/2	徐葉君先生	2/2
<b>Independent non-executive Directors</b>		<b>獨立非執行董事</b>	
Mr. Cao Ke ( <i>Chairman</i> )	2/2	曹克先生 ( <i>主席</i> )	2/2
Mr. Tong Yiu On	2/2	唐耀安先生	2/2
Mr. Li Yik Sang	2/2	李奕生先生	2/2

### 薪酬委員會

本公司之薪酬委員會（「薪酬委員會」）目前包括四名成員，包括三名獨立非執行董事，即曹克先生（主席）、唐耀安先生及李奕生先生以及一名執行董事，即徐葉君先生。薪酬委員會由董事會於二零一零年六月七日成立，其職責已在按照守則條文編製及採納之書面職權範圍中清楚界定。

薪酬委員會每年舉行會議，以檢討本公司董事及高級管理層之薪酬政策及待遇，並就該等薪酬政策及待遇向董事會提出建議。各董事不會參與有關其本身薪酬之討論及決定。

於截至二零一六年十二月三十一日止財政年度，薪酬委員會每名成員之出席詳情載列如下：

# Corporate Governance Report

## 企業管治報告

During the financial year ended 31 December 2016, the Remuneration Committee had convened two meetings with full attendance by its members and conducted the following activities:

- (1) reviewed and approved the remuneration packages of the Directors and senior management of the Company; and
- (2) reviewed the terms of the service contracts of all the executive Directors by reference to their performance.

### AUDIT COMMITTEE

The audit committee of the Company (“Audit Committee”) currently comprises three independent non-executive Directors, namely Mr. Tong Yiu On (chairman), Mr. Cao Ke and Mr. Li Yik Sang. The Audit Committee was established by the Board on 7 June 2010 and its duties are clearly defined in its written terms of reference which have been prepared and adopted according to the Code Provisions.

The Audit Committee provides an important link between the Board and the Company’s auditor in matters coming within the scope of the Group’s audit. It also reviews the annual and interim reports of the Company prior to their approval by the Board, the effectiveness of the external and internal audit and of internal controls and risk evaluation.

During the financial year under review, the Audit Committee has convened two meetings and conducted the following activities:

- (1) reviewed the annual and interim reports of the Company;
- (2) reviewed the report of internal audit department, internal controls system and financial matters of the Group in pursuance of the written terms of reference;
- (3) reviewed the audit plans and findings of the external auditor of the Company; and
- (4) made recommendation to the Board on the appointment of the external auditor.

於截至二零一六年十二月三十一日止財政年度，薪酬委員會曾召開兩次會議，全體成員均有出席，並處理以下事務：

- (1) 檢討及批准本公司董事及高級管理層之薪酬待遇；及
- (2) 參考執行董事之表現，以檢討全體執行董事之服務合約條款。

### 審核委員會

本公司之審核委員會（「審核委員會」）目前由三名獨立非執行董事唐耀安先生（主席）、曹克先生及李奕生先生組成。審核委員會由董事會於二零一零年六月七日成立，其職責已在按照守則條文編製及採納之書面職權範圍中清楚界定。

審核委員會在董事會及本公司核數師之間就本集團有關審核範圍內之事宜擔當重要聯繫。審核委員會亦在董事會批准年報及中期報告前審閱年報及中期報告、檢討外部和內部審核之有效性以及檢討內部控制及風險評估。

於回顧財政年度，審核委員會曾召開兩次會議並處理以下事務：

- (1) 審閱本公司之年報及中期報告；
- (2) 根據書面職權範圍審閱本集團內部審核部門之報告、內部控制系統及財務事宜；
- (3) 審閱本公司外聘核數師之審核計劃及結果；及
- (4) 就外聘核數師之委任事宜向董事會提供建議。

# Corporate Governance Report

## 企業管治報告

Details of attendance of each member of the Audit Committee during the financial year ended 31 December 2016 are as follows:

於截至二零一六年十二月三十一日止財政年度，審核委員會每名成員之出席詳情如下：

	<b>Attendance</b>		<b>出席率</b>
<b>Independent non-executive Directors</b>		<b>獨立非執行董事</b>	
Mr. Tong Yiu On ( <i>Chairman</i> )	2/2	唐耀安先生 ( <i>主席</i> )	2/2
Mr. Cao Ke	1/2	曹克先生	1/2
Mr. Li Yik Sang	2/2	李奕生先生	2/2

There was no disagreement between the Board's and the Audit Committee's view on the selection, appointment of the external auditor.

董事會與審核委員會在外聘核數師之選擇及委任上並無意見分歧。

### AUDITOR'S REMUNERATION

### 核數師酬金

During the financial year ended 31 December 2016, the nature of the audit and non-audit services provided by Elite Partners CPA Limited, the auditor of the Company, and the relevant fees paid/payable by the Company for such services are as follows:

於截至二零一六年十二月三十一日止財政年度，本公司核數師開元信德會計師事務所提供之審計及非審計服務之性質，以及本公司就該等服務支付／應付之有關費用如下：

<b>Services rendered</b>	<b>Fee paid/payable</b> HK\$	<b>所提供之服務</b>	<b>已付／應付費用</b> 港元
Annual audit	760,000	年度審計	760,000
Interim review	250,000	中期審閱	250,000

## RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the financial statements for each financial period which gives a true and fair view of the state of affairs of the Group. In preparing the financial statements for the financial year ended 31 December 2016, the Directors have selected appropriate accounting policies and applied them consistently, and have prepared the financial statements on a historical cost basis.

The statement of the external auditor about their reporting responsibilities on the financial statements are set out in the Independent Auditor's Report on pages 80 to 88 of this annual report of the Company.

## RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is overall responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and ensuring that the Group established and maintained appropriate and effective risk management and internal control systems.

The Audit Committee reviews the risk management and internal controls that are significant to the Group on an on-going basis. The Audit Committee would consider the adequacy of resource, qualifications and experience and training of staff and external advisor of the Group's accounting, internal audit and financial reporting function.

## 就財務報表承擔之責任

董事負責編製正確及公平反映每一財政期間本集團事務狀況之財務報表。在編製截至二零一六年十二月三十一日止財政年度之財務報表時，董事已選擇適當之會計政策及貫徹應用，並按歷史成本基準編製財務報表。

外聘核數師有關彼等就財務報表之申報責任之聲明已載於本公司之年報第80至88頁之獨立核數師報告內。

## 風險管理及內部控制

董事會全面負責評估及釐定為實現本集團戰略目標而擬採取的措施的風險性質及程度，並確保本集團建立及維護適當有效的風險管理及內部控制系統。

審核委員會持續檢討對本集團屬重大的風險管理及內部控制。審核委員會考量本集團會計、內部審核及財務匯報職能方面的資源、資歷及經驗是否充足以及對員工與外聘顧問的培訓情況。

# Corporate Governance Report

## 企業管治報告

The management of the Group is responsible for designing, maintaining, implementing and monitoring of the risk management and internal control system to ensure adequate control in place to safeguard the Group's assets and stakeholder's interest.

The Group has established risk management procedures to address and handle the all significant risks associate with the business of the Group. The Board would perform annual review on any significant change of the business environment and establish procedures to response the risks result from significant change of business environment. The risk management and internal control systems are designed to mitigate the potential losses of the business.

The management would identify the risks associate with the business of the Group by considering both internal and external factors and events which include political, economic, technology, environmental, social and staff. Each of risks has been assessed and prioritized based on their relevant impact and occurrence opportunity. The relevant risk management strategy would be applied to each type of risks according to the assessment results, type of risk management strategy has been listed as follow:

- Risk retention and reduction: accept the impact of risk or undertake actions by the Group to reduce the impact of the risks;
- Risk avoidance: change business process or objective so as to avoid the risk;
- Risk sharing and diversification: diversify the effect of the risk or allocate to different location or product or market;

本集團管理層負責風險管理及內部控制系統的設計、維護、實施及監控，確保實行充分的控制，維護本集團資產及股權持有人的利益。

本集團已制訂風險管理程序，解決及處理與本集團業務有關的所有重大風險。董事會每年對業務環境出現的任何重大變化進行檢討，並制定程序以應對業務環境的重大變化帶來的風險。風險管理及內部控制系統旨在減少業務的潛在虧損。

管理層將通過考慮政治、經濟、技術、環境、社會及員工等內外因素及事件以識別與本集團業務有關的風險。各種風險均已根據其相關影響及發生機率進行評估及優先排序。根據評估結果，相關風險管理策略將適用於各類風險，風險管理策略的類型如下：

- 風險抑制及減少：本集團接受風險的影響或採取行動以減少風險的影響；
- 風險規避：改變業務流程或目標以規避風險；
- 風險分擔及多樣化：將風險的影響多元化或分配至不同位置或產品或市場；

- Risk transfer: transfer ownership and liability to a third party. The internal control systems are designed and implemented to reduce the risks associated with the business accepted by the Group and minimise the adverse impact results from the risks. The risk management and internal control system are design to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

For the year ended 31 December 2016, the Group has engaged an external advisory firm to undertake the internal audit function to ensure the effectiveness and efficiency of the risk management and internal control system of the Group. There is no significant deficiency and weakness on the internal control system has been identified by the external advisory firm for the year ended 31 December 2016.

The Board considered that, for the year ended 31 December 2016, the risk management and internal control system and procedures of the Group, covering all material controls including financial, operational and compliance controls and risk management functions were reasonably effective and adequate.

## SHAREHOLDERS' RIGHTS

### Procedures for shareholders to convene an extraordinary general meeting

The following procedures for the Shareholders to convene an extraordinary general meeting ("EGM") of the Company are prepared in accordance with Article 64 of the articles of association of the Company:

- (a) one or more Shareholders ("Requisitionist(s)") holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings shall have the right, by written notice, to require an EGM to be called by the Directors for the transaction of any business specified in such requisition.

- 風險轉移：將所有權及責任轉移至第三方。設計和實施內部控制系統旨在減少與本集團接受的業務相關的風險，並儘量減少風險的不利影響。設計風險管理及內部控制系統乃為管理而非消除未能實現業務目標的風險，僅能提供合理而非絕對的保證，防止出現重大錯誤陳述或損失。

截至二零一六年十二月三十一日止年度，本集團聘請外部諮詢公司履行內部審核職能，確保本集團風險管理及內部控制系統的有效性及效率。外部諮詢公司釐定，截至二零一六年十二月三十一日止年度內部控制系統並不存在重大缺陷與不足。

董事會認為，截至二零一六年十二月三十一日止年度，涵蓋財務、經營及合規控制以及風險管理職能所有重要控制的本集團風險管理及內部控制系統及程序屬合理有效及充分。

## 股東權利

### 股東召開股東特別大會之程序

下列股東召開本公司股東特別大會（「股東特別大會」）之程序乃根據本公司組織章程細則第64條所編製：

- (a) 於遞呈要求日期持有不少於本公司繳足股本十分之一的任何一名或多名有權於股東大會上投票的股東（「呈請人」）有權通過書面通知要求董事召開股東特別大會，以處理有關要求中指明的任何事項。

# Corporate Governance Report

## 企業管治報告

(b) Such requisition shall be made in writing to the Board or the company secretary of the Company at the following:

### Principal place of business of the Company in Hong Kong

Address: Unit B, 15/F, Teda Building,  
87 Wing Lok Street,  
Sheung Wan, Hong Kong

Email: ir@sinoref.com.hk

Attention: the Board of Directors/Company Secretary

### Registered office of the Company

Address: Cricket Square, Hutchins Drive, P.O. Box  
2681, Grand Cayman KY1-1111, Cayman  
Islands

Attention: the Board of Directors/Company Secretary

(c) The EGM shall be held within two months after the deposit of such requisition.

(d) If the Directors fail to proceed to convene such meeting within twenty-one (21) days of such deposit, the Requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the Requisitionist(s) as a result of the failure of the Directors shall be reimbursed to the Requisitionist(s) by the Company.

(b) 有關要求須以書面形式向董事會或本公司之公司秘書提出：

### 本公司之香港主要營業地點

地址：香港上環  
永樂街87號  
泰達大廈15樓B室

郵件：ir@sinoref.com.hk

收件人：董事會／公司秘書

### 本公司之註冊辦事處

地址：Cricket Square,  
Hutchins Drive, P.O.  
Box 2681, Grand  
Cayman KY1-1111,  
Cayman Islands

收件人：董事會／公司秘書

(c) 股東特別大會將於遞呈請求後兩個月內舉行。

(d) 倘董事未能在請求遞交後二十一(21)天內召開股東特別大會，則呈請人可以同樣方式自行召開股東特別大會，而因董事未能召開該大會令呈請人產生的所有合理費用由本公司向呈請人進行償付。

# Corporate Governance Report 企業管治報告

## Procedures for shareholders to direct enquiries to the Company

For matters in relation to the Board, the Shareholders can contact the Company at the following:

Address: Unit B, 15/F, Teda Building, 87 Wing Lok Street, Sheung Wan, Hong Kong

Email: [ir@sinoref.com.hk](mailto:ir@sinoref.com.hk)

Tel: (852) 3549 6353

Fax: (852) 3549 6354

Attention: the Board of Directors/Company Secretary

For share registration related matters, such as share transfer and registration, change of name or address, loss of share certificates or dividend warrants, the registered Shareholders can contact:

## Hong Kong branch share registrar and transfer office

Tricor Investor Services Limited

Address: Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong

Email: [is-enquiries@hk.tricorglobal.com](mailto:is-enquiries@hk.tricorglobal.com)

Tel: (852) 2980 1333

Fax: (852) 2810 8185

## 股東向本公司直接查詢的程序

凡有關董事會的事宜，股東可按以下方式聯繫本公司：

地址：香港上環永樂街87號  
泰達大廈15樓B室

郵件：[ir@sinoref.com.hk](mailto:ir@sinoref.com.hk)

電話：(852) 3549 6353

傳真：(852) 3549 6354

收件人：董事會／公司秘書

凡有關股份登記相關事宜，如股份過戶登記、更改名稱或地址、丟失股票或股息單，登記股東可按以下方式聯繫本公司：

## 香港股份過戶登記分處

卓佳證券登記有限公司

地址：香港皇后大道東183號合和中心22樓

郵件：[is-enquiries@hk.tricorglobal.com](mailto:is-enquiries@hk.tricorglobal.com)

電話：(852) 2980 1333

傳真：(852) 2810 8185



# Corporate Governance Report

## 企業管治報告

### Procedures for shareholders to put forward proposals at shareholders' meetings

To put forward proposals at a general meeting of the Company, a Shareholder should lodge a written notice of his/her proposal ("Proposal") with his/her detailed contact information at the Company's principal place of business at Unit B, 15/F, Teda Building, 87 Wing Lok Street, Sheung Wan, Hong Kong.

The request will be verified with the Company's branch share registrars in Hong Kong and upon their confirmation that the request is proper and in order, the board of directors of the Company will be asked to include the Proposal in the agenda for the general meeting.

The notice period to be given to all the Shareholders for consideration of the Proposal raised by the Shareholder concerned at the general meeting varies according to the nature of the Proposal as follows:

- (a) Notice in writing of not less than 14 clear days and not less than 10 clear business days if the Proposal requires approval by way of an ordinary resolution of the Company in an extraordinary general meeting.
- (b) Notice in writing of not less than 21 clear days and not less than 10 clear business days if the Proposal requires approval by way of a special resolution of the Company in an extraordinary general meeting of the Company.
- (c) Notice in writing of not less than 21 clear days and not less than 20 clear business days if the Proposal requires approval by way of a special resolution or an ordinary resolution of the Company in an annual general meeting of the Company.

### INVESTOR RELATIONS

There was no significant change in the Company's constitutional documents during the year ended 31 December 2016.

### 股東於股東大會提呈建議的程序

為於本公司股東大會上提呈建議，股東須以書面提交建議（「建議」）通知，連同詳細聯絡資料，送至本公司主要營業地點，地址為香港上環永樂街87號泰達大廈15樓B室。

本公司會向本公司之香港股份過戶登記分處核實該要求，於獲得股份過戶登記分處確認該要求為恰當及合乎程序後，將要求本公司董事會在股東大會的議程內加入建議。

就上述股東提出於股東大會上考慮之建議而向全體股東發出通告之通知期因建議之性質有所不同，詳情如下：

- (a) 倘建議需要通過本公司於股東特別大會上以一項普通決議案的方式批准，則該書面通知為不少於足14天及不少於足10個營業日。
- (b) 倘建議需要通過本公司於本公司股東特別大會上以一項特別決議案的方式批准，則該書面通知為不少於足21天及不少於足10個營業日。
- (c) 倘建議需要通過本公司於本公司股東週年大會上以一項特別決議案或一項普通決議案的方式批准，則該書面通知為不少於足21天及不少於足20個營業日。

### 投資者關係

截至二零一六年十二月三十一日止年度，本公司組織章程文件並無重大變動。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

#### Introduction and Scope of ESG Report

This year is the first Environmental, Social and Governance (“ESG”) report prepared with accordance to Appendix 27 Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) set out by The Stock Exchange of Hong Kong Limited on Main Board (“Main Board Listing Rule”). The report will disclose the performance and progress for the year ended 31 December 2016. The Group understands the importance of the ESG report and is committed to making continuous improvements in corporate social responsibility into the business in order to better meet the changing needs of an advancing society.

The first ESG report of the Group it will present mainly policies, initiatives and performance. The ESG report of the Group has been presented into two subject areas, Environmental and Social and each subject area will have various aspects to disclose the relevant policies and the status of compliance with relevant laws and regulations as addressed by the ESG Guide.

### 環境、社會及管治報告

#### 環境、社會及管治報告介紹及範圍

今年是本集團根據香港聯合交易所有限公司主板上市規則（「主板上市規則」）附錄27環境、社會及管治報告指引（「環境、社會及管治報告指引」）編寫的首份環境、社會及管治（「環境、社會及管治」）報告。該報告將披露本集團截至二零一六年十二月三十一日止年度的業績及進展。本集團深知環境、社會及管治報告的重要性，並致力於不斷提升企業社會責任，以更佳滿足日新月異的社會需求。

本集團的首份環境、社會及管治報告主要介紹有關政策，措施和業績表現。本集團的環境、社會及管治報告分為兩個範疇：環境及社會，每個範疇將從多方面披露環境、社會及管治指引所提及有關政策和遵守相關法律法規的情況。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

The following will show the ESG issues that found material for the Group and the relation to the ESG Guide:

以下列示對本集團較為重要的環境、社會及管治問題，以及與環境、社會及管治指引的關係：

ESG Guide	Relevant ESG issues to the Group	環境、社會及管治指引	與本集團有關的環境、社會及管治問題
A. Environmental		A.環境	
A.1 Emissions	Carbon dioxide emission and waste management	A.1 排放物	二氧化碳排放和廢棄物管理
A.2 Use of resources	Energy and water consumption	A.2 資源使用	能源及水的消耗
A.3 Environmental and natural resources	Measures in reducing environmental impact	A.3 環境及天然資源	降低環境影響的措施
B. Social		B.社會	
B.1 Employment	Labour practices	B.1僱傭	勞工常規
B.2 Health and safety	Workplace health and safety	B.2健康及安全	工作環境的健康及安全
B.3 Development and training	Employee development and training	B.3發展及培訓	僱員發展及培訓
B.4 Labour standards	Child labour and forced labor	B.4勞工準則	童工及強制勞工
B.5 Supply chain management	Supplier management	B.5供應鏈管理	供應商管理
B.6 Product responsibility	Product safety and quality	B.6產品責任	產品安全及質量
B.7 Anti-corruption	Anti-corruption and money laundering	B.7反貪污	反貪污及洗黑錢
B.8 Community investment	Community involvement	B.8社區投資	社區參與

### The Group

The Group is primarily engaged in the manufacture and sale of advanced steel flow control products, and also in the manufacture of paper converting equipment, money lending business, electronic commerce (e-commerce) and information technology (IT) solution business.

### 本集團

本集團主要從事製造及銷售高端鋼水控流產品以及製造紙張加工設備、放債業務、電子商務（電子商務）及資訊科技（資訊科技）解決方案業務。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### A. Environmental

#### A.1 Emissions

##### Carbon dioxide and waste management

The Group's main business source comes from manufacturing and selling advanced steel flow control products including subentry nozzle, stopper, tundish nozzle and ladle shroud. The Group will continue to strive to minimize the environmental impact of casting molten steel. The Group's main emissions comes from manufacturing therefore, it is the Group's policies to maintain the manufacture process in an efficient and effective manner. Ensured waste water is properly connected to municipal sewage system and all land waste is send to municipal solid waste management plant during production. The greenhouse gas emissions are carbon dioxide emissions from energy consumption. There are also air emissions such as metal dusts and water emissions from cooling the metal during production. Water emissions can be minimised through water filtration. The Group will continue take close observation for better alternative in material use and methods to lower emissions to water, air and land.

For the year ended 31 December 2016, the Group has complied with applicable environmental laws and regulations such as Environmental Protection of the People's Republic of China Prevention 《中華人民共和國環境保護法》, Control of Atmospheric Pollution 《中華人民共和國大氣污染防治法》 and Urban Drainage and Sewage Treatment Ordinance 《城鎮排水與污水處理條例》. The Group will continue to make assessment on the Group's air and greenhouse gas emissions to take specific measures to further reduce emissions of air, water and land waste.

### A. 環境

#### A.1 排放物

##### 二氧化碳排放和廢棄物管理

本集團的主要業務來源為製造及銷售高端鋼水控流產品，包括浸入式水口、塞棒、中間包水口及長水口。本集團將繼續努力，減少鑄鋼水對環境的影響。本集團的主要排放物來自製造業，因此本集團的政策為以具效率及效益的方式維持製造過程。本集團亦確保廢水排放與市政污水處理系統正確連接，生產過程中產生的所有廢棄物均運送至市政固體廢棄物管理廠。溫室氣體排放為能源消耗後產生的二氧化碳排放。在生產過程中，亦會排放氣體如金屬粉塵以及冷卻金屬產生的水排放。通過水過濾可以將水排放量減至最低。本集團將繼續密切關注物料使用方面更好的替代方案和降低對水、空氣和土地排放的方法。

截至二零一六年十二月三十一日止年度，本集團已遵守適用的環境法律及法規，如《中華人民共和國環境保護法》、《中華人民共和國大氣污染防治法》及《城鎮排水與污水處理條例》。本集團將繼續評估其空氣和溫室氣體的排放，以採取具體措施，進一步減少空氣、水和土地廢棄物的排放。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### A.2 Use of resources

#### Energy and water consumption

The Group aims to better manage its use of resources and perform regular assessment. As part of the environmental friendly strategy, the Group implemented polices on the use of resources such as reduce errors in production to prevent waste of materials, optimal production schedule to reduce the waste and reduction of resources used during the production. The Group is also committed to promote saving and recycling culture to encourage staff to use less and recycle more. Such as reduce total paper consumption in offices by keeping electronic format copy.

### A.3 Environmental and natural resources

#### Measures in reducing environmental impact

To mitigate the impacts on the environment and natural resources, the management of the Group would evaluate and implement policies to reduce the impact, such as energy saving initiative to create sustainable environmental value. The Group will continue to seek alternative environmental friendly resources and materials to reduce the emissions of air, water and land waste.

## B. Social

### B.1 Employment

#### Labour practices

A good workplace practice is a key aspect for the employees to maintain good relationship. The Group adopts practices and policies of Labor Law of the People's Republic of China《中華人民共和國勞動法》, Labor Contract Law of People's Republic of China《中華人民共和國勞動合同法》 in compensation and dismissal; recruitment and promotion; working hours; rest periods; equal opportunity; diversity; anti-discrimination and welfare and other benefits.

### A.2 資源使用

#### 能源和水的消耗

本集團以良好管理資源利用並進行定期評估為目標。作為環保戰略的一部分，本集團實施了多項資源使用的政策，如減少生產過程中的錯誤以防止材料浪費，優化生產進度以減少生產過程中的浪費和減少資源使用。本集團亦致力推廣節約及循環再利用的文化，鼓勵員工減少使用及增加回收利用，例如通過保留電子格式副本以減少辦公室的紙張消耗總量。

### A.3 環境及天然資源

#### 降低環境影響的措施

為了降低對環境和自然資源的影響，本集團管理層會評估和實施多項政策以減輕影響，例如採取節能措施以創造可持續的環境價值。本集團將繼續尋求替代環保資源及材料，以減少對空氣、水和土地的排放。

## B. 社會

### B.1 僱傭

#### 勞工常規

良好的工作環境常規是員工保持良好關係的關鍵。本集團在賠償與解聘、招聘與晉升、工作時數、休息時間、平等機會、多元化、反歧視及福利與其他待遇方面採納《中華人民共和國勞動法》及《中華人民共和國勞動合同法》之各項規定及政策。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

Recruitment and promotion is free from discrimination and received equal opportunities for all despite of age, gender, race, colour, sexual orientation, disability or marital status.

The Group's employee handbook distributed to employees also highlight important information on policies, dismissal, recruitment, promotion, leave benefits, compensation and other benefits and welfare. The employee's contract also signed in accordance with guidance of the Human Resources Department/Administration Department governing the labour compliance.

### *B.2 Health and Safety*

Workplace health and safety

To provide a safe and comfortable working environment, the Group has complied with the Labour Law of the People's Republic of China 《中華人民共和國勞動法》of occupational safety and health and other applicable regulations. Workplace is equipped with fire and safety equipment to prevent outbreak of fire accident and the validity of the fire facilities have been regularly checked. During the year, the Group has reported zero work related fatalities and work injuries. The staff handbook also included sufficient policies on safety and staffs are asked to follow the safety instruction.

### *B.3 Development and Training*

Employee development and training

Employees are encouraged to continue development and improve their skill set through training. The Group has various training programmes, internal and external, to fully develop its workforce. New employees are also provided with on-board training to help faster adapt to the operations of the Group.

本集團的招聘和晉升絕不存在歧視，且員工享有平等的機會，無論其年齡、性別、種族、膚色、性取向、殘疾或婚姻狀況。

本集團分發給員工的員工手冊亦強調有關政策、解聘、招聘、晉升、休假福利、薪酬及其他福利與待遇的重要信息。僱員合同的簽訂亦會遵照人力資源部門／行政部門對勞工合規方面的指導。

### *B.2 健康及安全*

工作環境的健康及安全

為提供一個安全舒適的工作環境，本集團遵守《中華人民共和國勞動法》有關職業安全、健康及其他適用的規定。工作環境配備消防安全設備以防止火災事故，並定期檢查消防設施的有效性。年內，本集團的傷亡及工傷事故為零。員工手冊亦包括充足的安全政策，並要求員工遵守安全指引。

### *B.3 發展及培訓*

僱員發展及培訓

本集團鼓勵員工透過培訓繼續發展和提升工作技能。本集團於內部及外部均會舉辦各種培訓課程，以全面發展其勞動力。新員工亦獲提供入職培訓，以幫助其盡快適應本集團的運作。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### B.4 Labour Standards

#### Child labour and forced labor

There is no tolerance towards recruitment of minors and forced labour for the Group's operation. There is compliance towards Labour Contract Law of the People's Republic of China 《中華人民共和國勞動合同法》 and any individuals under legal working age and individuals without any identification documents are disqualified from employment.

There is a strict recruitment procedure through Human Resource Department and upon discovery of any child labour and use of forced labour, the person will be dismissed immediately and the Board will discuss and review the discovered event to prevent it from happening again.

### B.5 Supply Chain Management

#### Supplier management

The Group aims to provide comprehensive solutions that meet customers' needs and establish a comprehensive vertical supply chain management system through resource integration and supplier screening and management.

The objectives are to deepen the collaborative relationship with the strategic suppliers and to create competitive advantages in the value chain, thereby aim to enhance the impact on the society and environment. The Group also tended to maintain long term relationship with its suppliers for ensuring stable supply of materials or goods.

### B.4 勞動準則

#### 童工及強制勞工

本集團絕不允許就本集團營運業務招募未成年人和強制勞工。本集團遵守《中華人民共和國勞動合同法》的規定，任何未達到合法工作年齡以及沒有身份證明的個人均不得入職。

本集團通過人力資源部門實施嚴格的招聘程序，一旦發現任何童工及強制勞工現象，有關人員將立即被解僱，董事會亦將討論及檢討發現的事件，以防再次發生。

### B.5 供應鏈管理

#### 供應商管理

本集團致力於透過資源整合和供應商篩選及管理，提供滿足客戶需求的綜合解決方案，並建立全面的垂直供應鏈管理體系。

其目標為加強與戰略供應商的合作關係，並在價值鏈中創造競爭優勢，從而加強對社會及環境的影響。本集團亦傾向於與供應商保持長期關係，以確保材料或貨物的穩定供應。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### B.6 Product Responsibility

#### Product safety and quality

The Group ensure to produce product that is safe and meet service quality through policies such as if discovered the product has quality problem, the product can be exchanged. The Group complies with various PRC regulations to the operation of the business. For the year ended 31 December 2016, the Group did not have any product returned due to safety or health problems or any complaint received from customers. Customers' data will also be kept in confidential in order to protect consumer data and privacy and be destroyed on a timely basis. Also, the Group has complied towards the Product Quality Law of the People's Republic of China《中華人民共和國產品質量法》.

### B.7 Anti-Corruption

#### Anti-corruption and money laundering

The Group has zero tolerance towards any corruption, fraud, money laundering, bribery and extortion. The Group has compliance towards relevant laws and regulations such as Criminal law of the People's Republic of China《中華人民共和國刑法》and the Anti-Unfair Competition Law of the People's Republic of China《中華人民共和國反不正當競爭法》. For the year ended 31 December 2016, such events have never happened in the Group. The Group maintains a code of business integrity and standard. A system with good moral integrity and anti-corruption mechanism is the cornerstone for the sustainable and healthy development of the Group. The Group has policies on anti-money laundering and counter-terrorist financing any suspicious transactions would be notified and reported to the relevant governing body by the responsible officer.

### B.8 Community investment

#### Community involvement

The Group is committed to provide career opportunities to the locals and promote the development of the community's economy as part of the Group's sustainable development strategy. Also, the Group will try to seek opportunities to work with charity partners in the future to get involved in various community programs to contribute back to society.

### B.6 產品責任

#### 產品安全及質量

本集團通過實施倘若發現產品質量問題，客戶可選擇換貨的政策，確保生產出安全及符合服務質量要求的產品。本集團亦遵守中國各項有關業務運營的規定。截至二零一六年十二月三十一日止年度，本集團概無收到任何由於安全或健康問題而退回的產品或客戶投訴。為保護消費者的資料及隱私，客戶資料均予以保密並及時銷毀。此外，本集團亦遵守《中華人民共和國產品質量法》的有關規定。

### B.7 反貪污

#### 反貪污及洗黑錢

本集團對貪污、欺詐、洗黑錢、賄賂和欺詐等行為持零容忍態度。本集團遵守《中華人民共和國刑法》和《中華人民共和國反不正當競爭法》等相關法律法規。截至二零一六年十二月三十一日止年度，本集團未發生此類事件。本集團維護業務誠信守則及原則。道德誠信及反貪機制是本集團持續健康發展的基石。本集團制訂打擊洗錢及恐怖份子資金籌集政策，任何可疑交易均會由負責人員向有關部門知會及報告。

### B.8 社區投資

#### 社區參與

作為本集團可持續發展戰略的一部分，本集團致力於為本地居民提供就業機會，促進社區經濟的發展。此外，本集團將尋求機會未來與慈善合作夥伴攜手，參與各種社區計劃，為社會做出貢獻。



## Directors and Senior Management 董事及高級管理層

### EXECUTIVE DIRECTORS

**Mr. Zhu Min**, aged 68, graduated from Zhejiang University with a master's degree in Industrial Management and received a MS degree in Engineering Economics from Stanford University as one of the first batch of overseas students sent by the PRC Government to pursue a doctoral degree in Stanford University. He co-founded Future Labs Inc. in 1991 which was later acquired by Quarterdeck Corp.. In 1996, he co-founded WebEx Communications Inc. which was successfully listed on NASDAQ in 2000 and then acquired by Cisco Systems Inc. for US\$3.2 billion in 2007.

In 2003, Mr. Zhu became the sole investment partner in China of New Enterprise Associates (NEA), a renowned U.S. based venture capital fund focusing on early- and middle-stage companies, assisting NEA to successfully invest in a group of independent innovation enterprises in China. In 2005, Mr. Zhu founded Cybnaut Investment Group, one of China's best venture capital houses in 2015 selected by Forbes. It is one of the leading private equity and venture capital fund in China.

In 2007, Mr. Zhu donated US\$10 million to set up Zhejiang University International Innovation Institute (ZII) with Zhejiang University in a drive to promote domestic technological and industrial innovations.

Mr. Zhu has many years of experience in computer, network communications and services. He is a well-known scientist in the field in the United States. In 2002, he was named by Business Week as one of the 25 most influential people in global e-commerce. In 2008 and 2009, Mr. Zhu was selected by Forbes as one of China's best venture capital investors. At the first China Public Entrepreneurship and Innovation Conference held in 2016, he was granted the title of China's Pioneer in Innovation and Entrepreneurship by virtue of his reputation in the international investment community.

Mr. Zhu is the founder and chairman of the board of Cybnaut Investment Group Limited, the Vice president of China Society for the Promotion of Science and Technology Commercialization, the founder and dean of the Zhejiang University International Innovation Institute (ZII).

At the date of this annual report, Mr. Zhu held 389,000,000 shares of the Company.

### 執行董事

**朱敏先生**，68歲，畢業於浙江大學，持有浙江大學工業管理系碩士學位並為第一批中國公派留學生到美國斯坦福大學攻讀博士學位，獲得斯坦福大學工程經濟系統碩士學位。彼於一九九一年共同創辦Future Labs Inc.及後由Quarterdeck Corp.收購。彼於一九九六年共同創辦了WebEx Communications Inc. (美國網訊)並於二零零零年成功於納斯達克上市，於二零零七年由思科系統公司以32億美金收購。

朱先生於二零零三年成為NEA (一間美國知名早中期創業投資基金公司)在中國之唯一投資合夥人，幫助NEA在中國成功投資了一批自主創新型企業。於二零零五年，朱先生創立了賽伯樂(中國)投資集團，賽伯樂為二零一五年《福布斯》中國最佳創業投資機構之一，為中國私募股權創投基金的領導者之一。

朱先生於二零零七年捐資1,000萬美金與浙江大學創建浙江大學國際創新研究院，致力推動國內科技與產業創新。

朱先生於電腦、網絡通訊及服務領域擁有多年經驗。彼為美國該領域上著名之科學家，於二零零二年被《商業週刊》列為全球電子商務25位最具影響力的人物之一。朱先生於二零零八年及二零零九年被《福布斯》選為中國最佳創業投資人之一。彼於國際投資界享有盛名，故於二零一六年首屆中國眾創大會上，獲得中國創新創業先鋒稱號。

朱先生為賽伯樂投資集團有限公司創始人兼董事長、中國科技產業化促進會副理事長，以及浙江大學國際創新研究院創始人兼院長。

於本年報日期，朱先生於389,000,000股本公司股份中擁有權益。

## Directors and Senior Management 董事及高級管理層

**Mr. Gao Xiang**, aged 48, holds a bachelor's degree from the School of Economics and Management of Tsinghua University in Beijing and double master's degrees in Mathematics and Computer from the University of Wisconsin-Madison, USA. He currently serves as a senior partner of Cybernaut Investment Group and is mainly in charge of industrial investment operation and management as well as capital operation.

After graduation Mr. Gao was engaged in advanced research and development work at Microsoft Corp. (headquarters) in the United States and was one of the Office98 software main R & D members. In 1997, he established the China products e-commerce website "Chinamalls.com" in Seattle and in 1999, it was acquired by a company listed on NASDAQ.

In 2003, Mr. Gao joined Dangdang.com to serve as its vice president and to lead the website's development. He was also responsible for Dangdang.com's customer service and logistics operations. Later in 2007, he was appointed and served as the chief executive officer of Yaolan.com, and successfully transformed Yaolan.com into China's well known children education online-to-offline platform.

In 2013, Mr. Gao served as the chief executive officer and an executive director of Gome.com.cn. He was mainly responsible for designing the structure of its online-to-offline retail platform system and to remodel and personalize the existing marketing management system based on big data. He has rich experience in business management, education and Internet platform operation. Mr. Gao is currently a director of 武漢童學文化股份有限公司 (Wuhan Tong Xue Wen Hua Co. Ltd.) which is listed on the National Equities Exchange and Quotations of China.

At the date of this annual report, Mr. Gao is also the chief executive officer of the Company.

**高翔先生**，48歲，持有北京清華大學經濟管理學院學士學位及持有美國威斯康辛大學麥迪遜分校數學和電腦系雙碩士學位。彼現為賽伯樂投資集團高級合夥人，主要負責產業投資營運管理及資本運作。

高先生於畢業後進入美國微軟總部從事高級研發工作，並成為Office98軟件的主要研發成員之一。彼於一九九七年於西雅圖創辦中國商品電子商務網站Chinamalls.com，該網站於一九九九年由一間在納斯達克上市的公司收購。

於二零零三年，高先生加入當當網出任副總裁，主持當當網之網站開發工作，並全面負責當當網客服物流運營等工作。其後於二零零七年入主搖籃網擔任首席執行官，將搖籃網成功打造為中國知名的兒童教育O2O平臺。

高先生於二零一三年擔任國美線上首席執行官兼執行董事，主要負責設計搭建其O2O零售平臺系統，並基於大資料對既有之管理行銷體系進行重塑及個性化。彼於企業管理、教育及互聯網平臺營運方面經驗豐富。高先生現為武漢童學文化股份有限公司（全國中小企業股份轉讓系統上市公司）董事。

於本年報日期，高先生亦為本公司行政總裁。

## Directors and Senior Management 董事及高級管理層

**Mr. Lu Yongchao**, aged 37, obtained a diploma in Business Administration for Real Estate Entrepreneurs in China at Sun Yat-sen University and a diploma in English at Guangdong University of Foreign Studies. Mr. Lu was a team member of Ample Luck International Capital Group Limited, a domestic well known fund management group. Mr. Lu has extensive experience in business development, market development, media management, finance and Information Technology industry and years of investment, financing and fund management history. He has rich experience in the enterprise strategic management, internet strategy, brand management, investment and financing management. He was the founder of Enjoymedia Holdings Company Limited, which was listed on the OTCBB in 2006 and was named one of the hundred most Chinese Concept corporation listed in United States. Prior to that Mr. Lu had been the Chief Executive of the online websites YESITE and ITNOW, as well as the Whirlpool Kit Department Head in China. Mr. Lu had assisted listing and financing of different enterprises while working in an investment company in China, and had served as the director of Taiwan listed corporation China Mobile Digital Group. He also had served as a director of a well-known German outdoor brand VAUDE.

Mr. Lu is also the director of Eagle Pioneer Limited, Accurate Trade International Limited and Great Select Global Limited. Mr. Lu resigned as an chief executive officer and appointed as an executive director of the Company with effect from 16 February 2017. At the date of this annual report, Mr. Lu held 6,100,000 shares and 15,000,000 share options of the Company.

**Mr. Xu Yejun**, aged 52, the co-founder of our Group, is the chairman and our executive Director. Mr. Xu was appointed as our executive Director on 4 February 2010. He was our Group's chief executive officer from its establishment until 2 January 2015 when he resigned from such position. He is responsible for the overall strategic planning and management of our Group. Mr. Xu has extensive experience in the advanced steel flow control products industry, and has been engaging in such business for over 25 years. He is also the director of Sinoref (Hong Kong) Limited.

**呂永超先生**，37歲，持有中山大學中國房地產企業家工商管理課程結業證書，並於廣東外語外貿大學英語專科畢業。呂先生曾是豐祥國際資本集團有限公司（一間國內知名基金管理集團）的團隊成員。呂先生不但在商務開發、市場拓展、媒體管理、財務及資訊科技行業方面有多樣化的表現，亦累積了多年投融資及基金管理經驗。彼於企業戰略管理、互聯網策略、品牌管理、投融資管理等方面擁有十分豐富的經驗。呂先生始創Enjoymedia Holdings Company Limited，而該公司曾在二零零六年美國場外電子交易板市場上市，曾被評選為美國一百個最有中國概念的上市公司之一。在此之前，呂先生先後在YESITE及ITNOW網站出任網站總裁，並於中國出任惠而浦套件部門主管。後期，呂先生任職一所中國投資公司，除協助多家企業上市及融資，及出任台灣上市公司中國移動數碼集團董事外，彼亦曾出任德國知名戶外品牌沃德董事。

呂先生亦為Eagle Pioneer Limited、Accurate Trade International Limited及境裕環球有限公司之董事。呂先生辭任本公司行政總裁，並獲委任為本公司執行董事，自二零一七年二月十六日起生效。於本年報日期，呂先生於本公司6,100,000股股份中擁有權益，及持有15,000,000份購股權。

**徐葉君先生**，52歲，為本集團共同創辦人，擔任集團主席及執行董事。徐先生於二零一零年二月四日獲委任為執行董事。彼由本集團成立以來一直擔任其行政總裁，直至於二零一五年一月二日辭任該職務止。彼負責本集團整體策略規劃及管理。徐先生於先進鋼水控流產品行業擁有豐富經驗，從事有關業務逾25年。彼亦為華耐科技（香港）有限公司之董事。

## Directors and Senior Management 董事及高級管理層

Mr. Xu studied in 宜興縣大浦中學 (Yixing Dapu Secondary School\*) from 1979 to 1981. Mr. Xu had been trained in 洛陽耐火材料研究院 (Luoyang Institute of Refractories Research\*) from 1984 to 1986. He had worked in 宜興市鎂質耐火材料廠 (Yixing Magnena Refractory Materials Factory\*) from 1981 to 1983 and from 1987 to 1989, in 宜興威爾發非金屬材料有限公司 (Yixing Wellfire Nonmetal Materials Co., Ltd.) from 1990 to 1995 and in 宜興中村窯業有限公司 (Yixing Zhongcun Kiln Products Co., Ltd.\*) from 1996 till the establishment of Sinoref (Yixing) in 2005. As at the date of this annual report, Mr. Xu was a director, the chairman and the legal representative of 華耐國際(宜興)高級陶瓷有限公司 (Sinoref International (Yixing) Co., Ltd.\*), and a director of Sinoref (Hong Kong) Limited and Sinoref (BVI) Limited. Each of 華耐國際(宜興)高級陶瓷有限公司 (Sinoref International (Yixing) Co., Ltd.\*), Sinoref (Hong Kong) Limited and Sinoref (BVI) Limited was a wholly-owned subsidiary of our Company as at the date of this annual report.

For his research item 玻璃熔窯蓄熱室系列配套優質耐火材料新產品研製 (The research and manufacture of new high quality refractory accessory materials in glass melting furnace regenerative chamber series\*), Mr. Xu was awarded 中國輕工業科技進步獎 (China Light Industry Technological Advancement Award\*) by 中國輕工總會 (China Light Industry Association\*) in 1991, 上海市科學技術進步獎 (Science and Technology Progress Awards of Shanghai) by 上海市科學技術進步獎評審委員會 (Science and Technology Progress Awards Jury, Shanghai Municipality) in 1995 and 上海市科技成果完成者證書 (Certificate for Accomplisher of Technological Advancement in Shanghai\*) by 上海市科學技術委員會 (Science and Technology Commission of Shanghai Municipality) in 1996. Mr. Xu was also awarded 上海市科學技術進步獎 (Science and Technology Progress Awards of Shanghai) by 上海市科學技術進步獎評審委員會 (Science and Technology Progress Awards Jury, Shanghai Municipality) in 1996 in respect of 優質特異型蓄熱室格子磚系列配套產品研製 (The research and manufacture of high quality specific regenerative chambers checkers series accessory products\*).

徐先生自一九七九年至一九八一年於宜興縣大浦中學就讀，自一九八四年至一九八六年於洛陽耐火材料研究院接受訓練，彼於一九八一年至一九八三年及一九八七年至一九八九年在宜興市鎂質耐火材料廠工作，之後於一九九零年至一九九五年在宜興威爾發非金屬材料有限公司工作，自一九九六年起在宜興中村窯業有限公司工作，直至彼於二零零五年創立華耐(宜興)為止。截至本年報日期，徐先生為華耐國際(宜興)高級陶瓷有限公司之董事、主席及法定代表人以及華耐科技(香港)有限公司和Sinoref (BVI) Limited之董事。華耐國際(宜興)高級陶瓷有限公司、華耐科技(香港)有限公司及Sinoref (BVI) Limited於本年報日期均為本公司之全資附屬公司。

徐先生憑著他的研究項目「玻璃熔窯蓄熱室系列配套優質耐火材料新產品研製」於一九九一年獲中國輕工總會頒發中國輕工業科技進步獎，於一九九五年獲上海市科學技術進步獎評審委員會頒發上海市科學技術進步獎，又於一九九六年獲上海市科學技術委員會出具上海市科技成果完成者證書。徐先生亦於一九九六年獲上海市科學技術進步獎評審委員會頒發上海市科學技術進步獎，以表彰他對「優質特異型蓄熱室格子磚系列配套產品研製」進行的工作。

## Directors and Senior Management 董事及高級管理層

**Mr. Sin Kwok Wai Ronald**, aged 60, was appointed as our executive Director on 10 October 2014. He received his bachelor's degree in accountancy from Queensland University of Technology, Australia in 1994 and a master's degree in business administration from the University of Southern Queensland, Australia in 2006. He currently is an associate member of HKICPA and a fellow member of the CPA Australia. Prior to joining the Company, Mr. Sin has served companies in different industries in Hong Kong, including those listed in Hong Kong and overseas. He possesses over 20 years of management experience in areas of accounting, business strategy and corporate restructuring.

Mr. Sin is also the director of Time Credit Limited. At the date of this annual report, Mr. Sin held 2,452,000 shares and 15,000,000 share options of the Company.

**Mr. Wu Ye**, aged 28, was appointed as our executive Director on 20 January 2016. He received his Bachelor of Engineering from East China University of Science and Technology in 2009 and Master of Economics from Central University of Finance and Economics in 2014. He has over 5 years of experience in financial investment and project management. Currently he is the general manager of Zhongjin Equity Investment Fund Management Co., Ltd., which is a wholly owned subsidiary of 國太投資控股(集團)有限公司 (Guotai Investment Holdings (Group) Co. Ltd.) (“**Guotai**”).

Mr. Wu was not re-elected as an executive Director at the 2015 AGM and resigned with effect from 10 June 2016.

**冼國威先生**，60歲，於二零一四年十月十日獲委任為本公司執行董事。彼於一九九四年獲授澳洲昆士蘭科技大學會計專業學士學位以及於二零零六年獲授澳洲南昆士蘭大學工商管理學碩士學位。彼目前為香港會計師公會會員及澳洲會計師公會之資深會員。加入本公司前，冼先生已於香港不同行業之公司（包括該等於香港及海外上市之公司）任職。彼擁有超過20年會計、業務策略及企業重組方面之管理經驗。

冼先生亦為友邦信貸有限公司之董事。於本年報日期，冼先生持有本公司2,452,000股股份及15,000,000份購股權。

**吳擘先生**，28歲，於二零一六年一月二十日獲委任為本公司執行董事。彼於二零零九年取得華東理工大學工程學學士學位及於二零一四年取得中央財經大學經濟學碩士學位。彼於金融投資及項目管理方面擁有逾5年經驗。現時，彼為中晉股權投資基金管理有限公司（國太投資控股（集團）有限公司（「**國太**」）之全資附屬公司）之總經理。

吳先生於二零一五年股東週年大會上並未膺選連任為執行董事，並辭任該職位，自二零一六年六月十日起生效。

# Directors and Senior Management

## 董事及高級管理層

### NON-EXECUTIVE DIRECTORS

**Mr. Chow Chi Wa**, aged 48, was appointed as our non-executive Director on 27 November 2013. Mr. Chow received a master's degree in corporate governance from the Open University of Hong Kong. He has acted as an executive director, chief executive officer and the company secretary of Sino Splendid Holdings Limited since March 2013 (a company listed on GEM Board of the Stock Exchange (Stock Code: 8006)). Mr. Chow is a certified public accountant of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. He is an associate of the Hong Kong Institute of Company Secretaries and the Institute of Chartered Secretaries and Administrators. He possesses extensive experience in finance and accounting.

**Ms. Yip Sum Yu**, aged 27, was appointed as our non-executive Director on 10 November 2014. She is currently a consultant of an investment company. Ms. Yip has gained valuable experience in investments and investors relations in connection with both listed and private investments. She did not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

At the date of this annual report, Ms. Yip held 15,000,000 share options of the Company.

### 非執行董事

**周志華先生**，48歲，於二零一三年十一月二十七日獲委任為本公司非執行董事。周先生持有香港公開大學企業管治碩士學位。彼自二零一三年三月起一直擔任華泰瑞銀控股有限公司（一間於聯交所創業板上市的公司（股份代號：8006））之執行董事、首席執行官兼公司秘書。周先生為香港會計師公會之執業會計師及英國特許會計師公會資深會員。彼為香港公司秘書公會及特許秘書及行政人員公會會員。彼於財務及會計方面擁有豐富經驗。

**葉芯瑜女士**，27歲，於二零一四年十一月十日獲委任為本公司非執行董事。彼現時為一家投資公司的顧問。葉女士於有關上市及私人投資的投資及投資者關係方面累積寶貴經驗。彼於過去三年並無於其證券於香港或海外任何證券市場上市之上市公司擔任任何其他董事職位。

於本年報日期，葉女士持有本公司15,000,000份購股權。

## Directors and Senior Management 董事及高級管理層

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Tong Yiu On**, aged 50, was appointed as our independent non-executive Director on 10 October 2014. He is a certified public accountant of the Hong Kong Institute of Certified Public Accountants (“HKICPA”). Mr. Tong has served as the chief financial officer of Infinity Chemical Holdings Company Limited (a company listed on the Main Board of the Stock Exchange (Stock Code: 640)) and its executive director and company secretary since December 2011. From September 2000 to November 2008, he served as the chief financial officer and company secretary of Sinotronics Holdings Limited (currently known as Kingwell Group Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 1195)) and he concurrently acted as its executive director from December 2002 to November 2008. Prior to joining such company, he had nine years of financial management, accounting and auditing experience from various companies listed in Hong Kong and overseas and an international accounting firm.

### 獨立非執行董事

**唐耀安先生**，50歲，於二零一四年十月十日獲委任為本公司獨立非執行董事。彼為香港會計師公會（「香港會計師公會」）之執業會計師。自二零一一年十二月起，唐先生出任星謙化工控股有限公司（一家於聯交所主板上市之公司（股份代號：640））之財務總監以及執行董事兼公司秘書。彼於二零零零年九月至二零零八年十一月於華翔微電子控股有限公司（現稱京維集團有限公司，一家於聯交所主板上市之公司（股份代號：1195））擔任財務總監兼公司秘書，並於二零零二年十二月至二零零八年十一月期間同時擔任執行董事。加入該公司前，彼於香港及海外多家上市公司及一家國際會計師事務所累積9年財務管理、會計及審計經驗。

## Directors and Senior Management 董事及高級管理層

**Mr. Li Yik Sang**, aged 42, was appointed as our independent non-executive Director on 10 October 2014. He has over 14 years of experience in auditing, finance and accounting. He has served as the chief financial officer, authorised representative and company secretary of Meike International Holdings Limited (a company listed on the Main Board of the Stock Exchange (Stock Code: 953)) from August 2009 to January 2016. Mr. Li served as an audit assistant and a semi-senior auditor in Grant Thornton from November 2000 to December 2002. He later worked as a staff accountant, senior accountant and manager in Ernst & Young from January 2003 to January 2007. He acted as the chief financial officer of China Packaging Group Company Limited (a company listed on the Main Board of the Stock Exchange (Stock Code: 572)) from January 2007 to July 2009. He also served as an independent non-executive director of China Agrotech Holdings Limited (a company listed on the Main Board of the Stock Exchange (Stock Code: 1073)) from December 2011 to June 2014. He received his bachelor's degree in commerce from the University of Queensland, Australia in December 1998. He received his master's degree in commerce (information systems) from the University of Queensland, Australia in August 2000. Mr. Li has been a member of CPA Australia since April 1999 and was granted a certificate of certified practicing accountant of CPA Australia in November 2006 and he has been a member of HKICPA since February 2007.

**Mr. Cao Ke**, aged 42, was appointed as our independent non-executive Director on 10 June 2015. He received his bachelor's degree in economics from Nankai University in China in 1995 and a master's degree in business administration from the University of Hawaii in USA in 2001. He possesses over 10 years of experience in financial management and over 5 years of experience in financial investment and project management. He served as Chief Financial Officer in Guangdong Esquel Textile Enterprise Co., Ltd., Jiemi Int'l Trade (shanghai) Co., Ltd. and Guangdong Qide Education Service Ltd.. Since January 2010, he served as Chief Investment Officer in Youngy Investment Holding Group Co., Limited which is a reputable investment company in the PRC. Since December 2012. He served as Supervisor in AnHua Agricultural Insurance Company Ltd and Shenzhen Huaxunark Technology Co., Limited.

**李奕生先生**，42歲，於二零一四年十月十日獲委任為本公司獨立非執行董事。彼擁有超過14年之審計、財務及會計經驗。彼自二零零九年八月至二零一六年一月擔任美克國際控股有限公司（一家於聯交所主板上市之公司（股份代號：953））之首席財務官、授權代表兼公司秘書。李先生自二零零零年十一月至二零零二年十二月擔任均富會計師行核數助理及副高級核數主任。彼隨後於二零零三年一月至二零零七年一月任安永會計師事務所之會計師、高級會計師及經理。於二零零七年一月至二零零九年七月任中國包裝集團有限公司（一家於聯交所主板上市之公司（股份代號：572））之首席財務官。彼亦於二零一一年十二月至二零一四年六月任浩倫農業科技集團有限公司（一家於聯交所主板上市之公司（股份代號：1073））任職獨立非執行董事。彼於一九九八年十二月獲澳洲昆士蘭大學頒授商學學士學位，二零零零年八月獲澳洲昆士蘭大學頒授商學（信息系統）碩士學位。李先生自一九九九年四月起為澳洲會計師公會會員，於二零零六年十一月獲授澳洲會計師公會執業會計師證書，以及自二零零七年二月起為香港會計師公會會員。

**曹克先生**，42歲，於二零一五年六月十日獲委任為獨立非執行董事。彼於一九九五年獲得中國南開大學經濟學學士學位並於二零零一年獲得美國夏威夷大學工商管理碩士學位。彼於金融管理方面擁有逾10年經驗並於金融投資及項目管理方面擁有逾5年經驗。彼曾擔任廣東溢達紡織有限公司、傑米國際貿易（上海）有限公司及廣東啓德教育服務有限公司之財務總監。自二零一零年一月起，彼擔任融捷投資控股集團有限公司（一家中國知名投資公司）之投資總監。自二零一二年十二月起，彼擔任安華農業保險股份有限公司及深圳市華訊方舟科技有限公司之監事。



# Directors and Senior Management

## 董事及高級管理層

### SENIOR MANAGEMENT

**Mr. Wang Zhizhong**, aged 49, is the deputy general manager and the head of our Production Department. Mr. Wang joined our Group in 2005. Mr. Wang was qualified as an assistant engineer by 無錫市人事局 (Wuxi Municipal Personnel Bureau\*) in 1995. He obtained 上海市科技成果完成者證書 (Certificate for Accomplisher of Technological Achievement in Shanghai\*) for each of the project named “復合結構電熔澆注空心磚研製” (Development of hollow composite fusion cast blocks\*) and “大型玻璃窟上部結構用新型耐火材料品種的研究” (Research on novel refractories for super structure of glass furnace\*) from 上海市科學技術委員會 (Science and Technology Commission of Shanghai Municipality) in 2000.

Mr. Wang worked in the production technology department in various companies including 宜興威爾發非金屬材料有限公司 (Yixing Wellfire Nonmetal Materials Co., Ltd.) and 宜興中村窑業有限公司 (Yixing Zhongcun Kiln Products Co., Ltd.\*), before joining our Group in 2005. In addition, Mr. Wang, jointly with Mr. Xu and Dr. Zhang, invented the 可控制流入氣體的整體式塞棒 (Mono block Stopper with controlled gas flow) which was registered as a patent (in respect of utility) in the PRC in May 2010.

**Mr. Wen Zhuowei**, aged 39, joined us in 2007 as head of our Production Department and worked as head of our Purchasing Department in 2013. Mr. Wen is mainly responsible for our procurement and environmental protection matters. Mr. Wen graduated from 江蘇省廣播電視大學 (Jiangsu Radio and TV University\*). He worked for 江蘇耐克體育用品有限公司 (Nike Jiangsu) Sport Products Co., Limited\*) as production supervisor from 2000 to 2005 and worked as shift leader in 微密科技(宜興)有限公司 (Weimi Science and Technology (Yixing) Co., Ltd\*) from 2006 to 2007 prior to joining our Group.

**Mr. Dai Donglin**, aged 48, joined us in 2007 as executive regional sales manager. He obtained a bachelor's degree in Arts from Henan University in 1992. He then joined Vesuvius Advanced Ceramics (Suzhou) Co. Ltd. from 1995 to 2004. Mr. Dai furthered his studies on Civil and Commercial Law between 1998 and 2000 in Jilin University. He has many years of experiences in sales management.

*For the purpose of this section, “\*” denotes unofficial English translation.*

### 高級管理層

**王志中先生**，49歲，為副總經理兼生產部主管。王先生於二零零五年加入本集團。王先生於一九九五年從無錫市人事局取得助理工程師資格。彼於二零零零年就「復合結構電熔澆注空心磚研製」及「大型玻璃窟上部結構用新型耐火材料品種的研究」項目從上海市科學技術委員會各自取得上海市科技成果完成者證書。

王先生於二零零五年加入本集團前曾於多間公司的生產技術部門工作，當中包括宜興威爾發非金屬材料有限公司及宜興中村窑業有限公司。另外，王先生、徐先生與張博士共同發明可控制流入氣體的整體式塞棒，該發明於二零一零年五月在中國獲註冊為專利（有關實用新型）。

**溫卓偉先生**，39歲，於二零零七年加入本集團擔任生產部主管及二零一三年兼任採購部主管。溫先生主要負責本集團採購及環保事宜。溫先生畢業於江蘇省廣播電視大學，在加入本集團之前，他曾自二零零零年至二零零五年在江蘇耐克體育用品有限公司任生產主管；二零零六年至二零零七年在微密科技(宜興)有限公司擔任生產領班。

**戴東林先生**，48歲，於二零零七年加入本集團擔任區域行政銷售經理。彼於一九九二年獲河南大學頒發文學學士學位。其後，彼於一九九五年至二零零四年期間加入維蘇威高級陶瓷(蘇州)有限公司。戴先生於一九九八年至二零零零年於吉林大學進修民商法。彼具備多年的銷售管理經驗。

# Report of the Directors

## 董事會報告

The Directors are pleased to present their report and audited financial statements of the Group for the year ended 31 December 2016.

### PRINCIPAL ACTIVITIES

The Group is primarily engaged in the manufacturing of advanced steel flow control products used in the continuous casting steel making process to protect, control and regulate the flow of molten steel, and manufacture and sale of paper converting equipment and other relating equipment, E-commerce, E-commerce solutions and related support services and selling of information technology products, as well as, money lending.

The Group's turnover is mainly derived from business activities in Mainland China. An analysis of the Group's income for the year is set out in note 7 to the financial statements.

Particulars of the Company's major subsidiaries as at 31 December 2016 are set out in note 39 to the financial statements.

### RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2016 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 89 and 90 of this report.

The state of the Group's affairs at 31 December 2016 is set out in the consolidated statement of financial position on page 91 of this report.

The Board does not recommend the payment of a final dividend for the year ended 31 December 2016.

The Company is not aware of any arrangement under which a shareholder of the Company has waived or agreed to waive any dividends.

### FIVE YEAR FINANCIAL SUMMARY

The result, assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements, are summarised on page 188 of this report.

董事謹此呈列本集團截至二零一六年十二月三十一日止年度之報告及經審核財務報表。

### 主要業務

本集團主要從事製造高端鋼水控流產品，該等產品用於連續過程以保護、控制及調節熔鋼流，以及製造及銷售紙張加工設備及其他相關設備、電子商務、電子商務解決方案及相關支援服務及銷售資訊科技產品以及放債。

本集團之營業額主要來自中國大陸之業務活動。本集團年內之收入分析載於財務報表附註7。

本公司於二零一六年十二月三十一日之主要附屬公司詳情載於財務報表附註39。

### 業績及股息

本集團截至二零一六年十二月三十一日止年度之業績載於本報告第89及90頁之綜合損益及其他全面收益表。

本集團於二零一六年十二月三十一日之財務狀況載於本報告第91頁之綜合財務狀況表。

董事會不建議派付截至二零一六年十二月三十一日止年度之末期股息。

本公司並不知悉本公司股東已放棄或同意放棄任何股息之任何安排。

### 五年財務概要

摘錄自經審核財務報表之本集團於過去五個財政年度之業績、資產及負債概要載於本報告第188頁。

# Report of the Directors

## 董事會報告

### PROPERTY, PLANT AND EQUIPMENT

Details of property, plant and equipment of the Group as at 31 December 2016 are set out in note 18 to the financial statements.

### SHARE CAPITAL

Details of the movements in share capital of the Company are set out in note 32 to the financial statements.

### PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the latest practicable date prior to the issue of this annual report, there was a sufficiency of public float the Company's securities as required under the Listing Rules.

### PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the year ended 31 December 2016, neither the Company nor its subsidiaries had purchased, redeemed or sold any of the Company's listed securities.

### RESERVES AND DISTRIBUTABLE RESERVES

Details of the movements in reserves of the Group during the year are set out in the consolidated statement of changes in equity.

The Company's reserves available for distribution to its shareholders as at 31 December 2016 was Nil (31 December 2015: Nil).

### 物業、廠房及設備

本集團於二零一六年十二月三十一日之物業、廠房及設備詳情載於財務報表附註18。

### 股本

本公司股本變動詳情載於財務報表附註32。

### 公眾持股量

根據本公司於緊接本年報刊發前的最後實際可行日期獲得的公開資料及據董事所知，本公司證券的公眾持股量一直充足，符合上市規則的規定水平。

### 購買、贖回或出售上市證券

於截至二零一六年十二月三十一日止年度，本公司及其附屬公司概無購買、贖回或出售本公司任何上市證券。

### 儲備及可分派儲備

本集團儲備於年內之變動詳情載於綜合權益變動表。

於二零一六年十二月三十一日，本公司可分派予股東之儲備為零（二零一五年十二月三十一日：零）。

## MAJOR CUSTOMERS AND SUPPLIERS

The percentages of sales and purchases for the year attributable to the Group's major customers and suppliers are as follows:

	<b>Percentage of the total purchases/sales accounted for</b>
Purchases	
– the largest supplier	11%
– five largest suppliers combined	31%
Sales	
– the largest customer	less than 10%
– five largest customers combined	22%

None of the Directors, their associates or any shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) had an interest in the five largest suppliers or customers of the Group noted above.

At no time during the year under review, none of the Directors, their associates or shareholders (which to the knowledge of the Directors own more than 5% of the Company's issued share capital) has any interest in the customers or suppliers disclosed above.

## 主要客戶及供應商

本集團主要客戶及供應商所佔本年度之銷售及採購額百分比如下：

	<b>佔採購／ 銷售總額 百分比</b>
採購	
– 最大供應商	11%
– 五大供應商合計	31%
銷售	
– 最大客戶	少於10%
– 五大客戶合計	22%

概無本公司董事、彼等之聯繫人或任何股東（就董事所知擁有本公司已發行股本5%以上者）在上述本集團五大供應商或客戶中擁有權益。

於回顧年度內任何時間，董事、彼等之聯繫人或任何股東（據董事所知擁有本公司已發行股本逾5%者）概無於上述披露之客戶或供應商中擁有任何權益。

### ENVIRONMENTAL POLICIES

The Group has always kept our sustainable development that aligns with the harmonious relationship to the environment and committed to pay close attention to conserving natural resources. The Group strives to minimize our environmental impact by water-recycling initiatives, sewage treatment implementation, energy saving and wastage reduction, and encouraging recycle of office supplies and other materials. On gas emission, advanced equipments have been employed in various production procedures to recover part of the wastage particulates generated during production process and minimize the emission to the fullest extent. The Group dedicates to improving equipment efficiency and quality management in order to reduce power consumption. It also requires our factories to operate in strict compliance with the relevant environmental regulations and rules and possess all necessary permission and approval from the relevant PRC regulators.

The Group always insist on the ideology on issues of environmental protection, being conventional, safe and clean. To enhance environmental awareness and encourage daily participation among staff in the continuous improvement of environmental protection, the Group implements green office practices, such as implementing paperless practice whenever possible and engaging staff regularly on low carbon office measures.

### 環境政策

本集團向來維持與環境和諧共存的可持續發展，並密切注視保護天然資源。本集團透過水資源循環再用措施、落實污水處理、節能及減廢以及鼓勵循環再用辦公室用品及其他物料，致力將對環境的影響減至最低。就氣體排放而言，我們已在數個生產程序使用高端設備，以收回部分於生產工序產生的廢氣微粒及在最大範圍內減低廢氣排放。本集團致力改善設備效率及品質管理以減低能源消耗，亦要求工廠在嚴格遵守相關環保法規及規則的情況下營運，並須具備一切由相關中國監管機構所發出的必要許可及批准。

本集團一向秉持常規化、安全及潔淨等環境保護意識形態。為提升環保意識及鼓勵員工日常持續參與環保改進，本集團落實綠色辦公室措施，如在可行情況下實施無紙化作業，以及促成員工恆常地實行低碳辦公室措施。

## KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Board recognizes that employees, customers and business partners are the keys to the sustainable development of the Group. The Group is committed to building a close and caring relationship with its employees and business partners and improving the quality of services to the customers. Employees are regarded as the most important and valuable assets of the Group. The Group ensures all staff is reasonably remunerated and its workers are provided with regular training courses on operation of different types of machinery, as well as work safety. The Group strives to motivate its employees with a clear career path and opportunities for advancement and improvement of their skills. It is committed to maintain a high standard of corporate social governance essential for creating a framework for motivating staff, and contributes to the community in which we conduct our businesses and creates a sustainable return. It also stays connected with its customers and suppliers and has ongoing communication with the customers and suppliers through various channels such as telephone, electronic mails and physical meetings to obtain their feedback and suggestions.

## COMPLIANCE WITH LAWS AND REGULATIONS

The Group has compliance and risk management policies and procedures, and members of the senior management are delegated with the continuing obligation to monitor adherence and compliance with all significant legal and regulatory requirements. Our Audit Committee is delegated by the Board to monitor the Group's policies and practices on compliance with legal and regulatory requirements and such policies are regularly reviewed. Any changes in the applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operation units from time to time. Since the Group has subsidiaries in China and Hong Kong, the establishments and operations shall comply with relevant laws and regulations in the PRC and Hong Kong. During the year ended 31 December 2016 and up to the date of this annual report, the Group's operation has complied with all the relevant laws and regulations in the PRC and Hong Kong in all material respects.

## 與僱員、客戶及供應商的主要關係

董事會深明僱員、客戶及業務夥伴乃本集團達致可持續發展的要素。本集團致力與其僱員及業務夥伴建立緊密及關懷的關係，並提升向客戶提供的服務質素。僱員乃本集團最重要及最寶貴的資產。本集團確保所有員工均得到合理報酬，而工人亦定期接受操作不同類型機器及工作安全的培訓課程。本集團致力透過清晰的晉升階梯及提供提升及改善員工技能的機會激勵僱員，亦致力保持對建構激勵員工的框架至為重要的高水平企業社會管治，並對我們經營業務所在的社區作出貢獻以及創造可持續回報。本集團亦與其客戶及供應商保持聯繫，並透過電話、電子郵件及面對面會議等不同渠道保持持續溝通，以獲得彼等的反饋及建議。

## 遵守法律及法規

本集團設有合規及風險管理政策及程序，而高級管理層成員已獲委派監控遵從及遵守所有重大法律及監管規定的持續責任。審核委員會已獲董事會委派監控本集團遵守法律及監管規定的政策及常規之責任，而有關政策乃獲定期檢討。相關僱員及相關營運單位將不時留意適用法律、規則及法規的任何變動。由於本集團在中國及香港均設有附屬公司，故該等機構及營運均須遵守中國及香港的相關法律及法規。於截至二零一六年十二月三十一日止年度及直至本年報日期，本集團的營運已在所有重大方面遵守中國及香港的一切相關法律及法規。

# Report of the Directors

## 董事會報告

### DIRECTORS AND CHIEF EXECUTIVE

The Directors who held office during the year and up to the date of this report were:

#### Executive Directors

Mr. Zhu Min<sup>2</sup> (Chairman)  
Mr. Gao Xiang<sup>3</sup>  
Mr. Lu Yongchao<sup>4</sup>  
Mr. Xu Yejun  
Mr. Sin Kwok Wai Ronald  
Mr. Wu Ye<sup>1</sup>

#### Non-executive Directors

Mr. Chow Chi Wa  
Ms. Yip Sum Yu

#### Independent Non-executive Directors

Mr. Tong Yiu On  
Mr. Li Yik Sang  
Mr. Cao Ke

#### Chief Executive Officer

Mr. Gao Xiang<sup>3</sup>  
Mr. Lu Yongchao<sup>5</sup>

- <sup>1</sup> Appointed on 20 January 2016, not re-elected and resigned on 10 June 2016
- <sup>2</sup> Appointed on 16 February 2017
- <sup>3</sup> Appointed on 16 February 2017
- <sup>4</sup> Appointed on 16 February 2017
- <sup>5</sup> Resigned on 16 February 2017

### DIRECTORS' PROFILES

Directors' profiles are set out on pages 48 to 55 of this report.

### 董事及行政總裁

於年內直至本報告日期之董事如下：

#### 執行董事

朱敏先生<sup>2</sup> (主席)  
高翔先生<sup>3</sup>  
呂永超先生<sup>4</sup>  
徐葉君先生  
冼國威先生  
吳擘先生<sup>1</sup>

#### 非執行董事

周志華先生  
葉芯瑜女士

#### 獨立非執行董事

唐耀安先生  
李奕生先生  
曹克先生

#### 行政總裁

高翔先生<sup>3</sup>  
呂永超先生<sup>5</sup>

- <sup>1</sup> 於二零一六年一月二十日獲委任、未膺選連任並於二零一六年六月十日辭任
- <sup>2</sup> 於二零一七年二月十六日獲委任
- <sup>3</sup> 於二零一七年二月十六日獲委任
- <sup>4</sup> 於二零一七年二月十六日獲委任
- <sup>5</sup> 於二零一七年二月十六日辭任

### 董事履歷

董事履歷載於本報告第48至55頁。

### DIRECTORS' SERVICE CONTRACTS

Mr. Zhu Min's appointment has no fixed term and is subject to retirement by rotation and re-election at the annual general meeting of the Company. His remuneration as the executive director and chairman of the Company will be determined by the remuneration committee of the Company and the Board with reference to his duties and responsibilities with the Company and the prevailing market situation.

Mr. Gao Xiang's appointment has no fixed term and is subject to retirement by rotation and re-election at the annual general meeting of the Company. His remuneration as the executive director and chief executive officer of the Company will be determined by the remuneration committee of the Company and the Board with reference to his duties and responsibilities with the Company and the prevailing market situation.

Mr. Lu Yongchao's appointment has no fixed term and is subject to retirement by rotation and re-election at the annual general meeting of the Company. His remuneration as the executive director of the Company will be determined by the remuneration committee of the Company and the Board with reference to his duties and responsibilities with the Company and the prevailing market situation.

Mr. Xu Yejun, entered into a service contract with our Company pursuant to which he agreed to act as executive Directors for an initial term of three years with effect from 7 June 2010. The term of service shall be renewed and extended automatically by one year on the expiry of such initial term and on the expiry of every successive period of one year thereafter, unless either party has given at least three months' written notice of non-renewal before the expiry of the then existing term.

### 董事服務合約

朱敏先生之委任並無固定任期，惟須於本公司股東週年大會上輪值退任及重選連任。彼作為本公司執行董事兼主席之薪酬將由本公司薪酬委員會及董事會參考朱先生於本公司之職責及責任及現行市況後釐定。

高翔先生之委任並無固定任期，惟須於本公司股東週年大會上輪值退任及重選連任。彼作為本公司執行董事兼行政總裁之薪酬將由本公司薪酬委員會及董事會參照高先生於本公司之職責及責任及現行市況而釐定。

呂永超先生之委任並無固定任期，惟須於本公司股東週年大會上輪值退任及重選連任。彼作為本公司執行董事之薪酬將由本公司薪酬委員及董事會參考呂先生於本公司之職責及責任及現行市況而釐定。

徐葉君先生已與本公司訂立服務合約，據此彼同意自二零一零年六月七日起擔任執行董事，初步為期三年。任期將於初步任期屆滿或之後每年任期屆滿時自動續期一年，直至任何一方於現行任期屆滿前向另一方發出不少於三個月之書面通知不予續期為止。



## Report of the Directors 董事會報告

Mr. Sin Kwok Wai Ronald is appointed for an initial term of three years commencing from 10 October 2014 renewable automatically for a successive term of one year each commencing from the next day after the expiry of the then current term of appointment, unless terminated by either Mr. Sin or the Company giving not less than three months' notice in writing expiring at the end of the initial term or at any time thereafter.

Mr. Wu Ye, our executive Director was appointment with no fixed term and is subject to retirement by rotation and re-election at the annual general meeting of the Company. He has not entered into a service agreement with the Company. His remuneration will be determined by the Board with reference to his duties and responsibilities with the Company and the prevailing market situation.

Mr. Chow Chi Wa, our non-executive Director has been appointed for an initial term of one year commencing from 27 November 2013 renewable automatically for successive term of one year each commencing from the next day after the expiry of then current term of appointment, unless terminated by either party has given at least three months' notice in writing expiring at the end of the initial term or at any time thereafter.

Ms. Yip Sum Yu was appointed for an initial term of one year commencing from 10 November 2014 renewable automatically for successive term of one year each commencing from the next day after the expiry of the then current term of appointment, unless terminated by either Ms. Yip or the Company giving not less than three months' notice in writing expiring at the end of the initial term or at any time thereafter.

冼國威先生之任期由二零一四年十月十日起計，初步為三年，於當時委任期屆滿後翌日起將自動更新及延長一年任期，直至由冼先生或本公司在初步任期屆滿前或其後任何時間發出不少於三個月之書面通知終止為止。

本公司執行董事吳擘先生並無固定任期，惟須於本公司股東週年大會上輪值退任及重選連任。彼並無與本公司訂立服務協議。彼之薪酬將由董事會經參考其於本公司之職責及責任及現行市況後釐定。

周志華先生獲委任為本公司非執行董事，彼初步委任期自二零一三年十一月二十七日起計為期一年，於當時委任期屆滿後翌日起將自動續期一年，直至由任何一方在初步任期屆滿時或其後任何時間發出至少三個月之書面通知終止為止。

葉芯瑜女士之任期自二零一四年十一月十日起計，初步為一年，於當時委任期屆滿後翌日起將自動更新及延長一年任期，直至由葉女士或本公司在初步任期屆滿前或其後任何時間發出不少於三個月之書面通知終止為止。

## Report of the Directors 董事會報告

Mr. Tong Yiu On was appointed for an initial term of one year commencing from 10 October 2014 renewable automatically for successive term of one year each commencing from the next day after the expiry of the then current term of appointment, unless terminated by either Mr. Tong or the Company giving not less than three months' notice in writing expiring at the end of the initial term or at any time thereafter.

Mr. Li Yik Sang was appointed for an initial term of one year commencing from 10 October 2014 renewable automatically for successive term of one year each commencing from the next day after the expiry of the then current term of appointment, unless terminated by either Mr. Li or the Company giving not less than three months' notice in writing expiring at the end of the initial term or at any time thereafter.

Mr. Cao Ke, our independent non-executive Director was appointed for an initial term of three years, subject to retirement by rotation at the annual general meeting of the Company in accordance with the Company's articles of association. Mr. Cao will be entitled to a director's fee to be determined by the Board based on his anticipated effort and expertise to be exercised on the Company's affairs.

No Director proposed for re-election at the forthcoming annual general meeting has an unexpired service contract which is not determinable by the Company within one year without payment of compensation, other than normal statutory compensation.

The Company has arranged appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Group to protect the Directors and officers of the Group against any potential liability arising from the Group's activities which such Directors and officers may be held liable.

唐耀安先生之任期由二零一四年十月十日起計，初步為一年，於當時委任期屆滿後翌日起將自動更新及延長一年任期，直至由唐先生或本公司在初步任期屆滿前或其後任何時間發出不少於三個月之書面通知終止為止。

李奕生先生之任期由二零一四年十月十日起計，初步為一年，於當時委任期屆滿後翌日起將自動更新及延長一年任期，直至由李先生或本公司在初步任期屆滿前或其後任何時間發出不少於三個月之書面通知終止為止。

本公司獨立非執行董事曹克先生獲委任之初始年期為三年，須根據本公司之組織章程細則於本公司股東週年大會上輪值退任。曹先生將有權享有董事袍金。董事袍金由董事會根據曹先生預期對本公司事務付出之努力及提供之專業服務而釐定。

在應屆股東週年大會上建議重選之董事概無訂有本公司不可於一年內免付賠償（一般法定賠償除外）而終止之未屆滿服務合約。

為保障本集團董事及高級職員免於負上因本集團業務活動而產生的潛在責任，本公司已為本集團董事及高級職員安排適當之董事及高級職員責任保險。

# Report of the Directors

## 董事會報告

### DIRECTORS' INTERESTS IN CONTRACTS

Apart from the particulars disclosed in note 36 under the heading "Related party transactions" to the financial statements, there were no other transaction, arrangement or contracts of significance in relation to the Company's business, to which the Company or any of the Company's subsidiaries was a party nor there were any other transaction, arrangement or contracts of significance in relation to the Company's business between the Company or any of the Company's subsidiaries subsisting at the end of the year or at any time during the year in which a Director or an entity connected with a Director had, whether directly or indirectly, a material interest.

No contract of significance had been entered into between the Company or any of its subsidiaries and the controlling shareholder (as defined in the Listing Rules) of the Company or any of its subsidiaries.

No contract of significance for the provision of services to the Company or any of its subsidiaries by the controlling shareholder of the Company or any of its subsidiaries was entered into.

### DIRECTORS' INTEREST IN SHARES

As at 31 December 2016, so far as was known to the Directors of the Company, our chief executive officer of the Company had an interest or short position in the shares and underlying shares of the Company, which were required to be recorded in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

### 董事於合約之權益

除財務報表附註36「關連方交易」所披露之詳情外，於年終時或年內任何時間，本公司或其附屬公司並無訂有與本公司業務有關而董事或董事之關連實體直接或間接擁有重大權益之任何其他重大交易、安排或合約，而本公司與其附屬公司之間亦無訂有與本公司業務有關而董事或董事之關連實體直接或間接擁有重大權益之任何其他重大交易、安排或合約。

本公司或其任何附屬公司與本公司或其任何附屬公司之控股股東（定義見上市規則）之間概無訂立任何重大合約。

概無訂立本公司或其任何附屬公司之控股股東向本公司或其任何附屬公司提供服務之重大合約。

### 董事於股份之權益

於二零一六年十二月三十一日，就本公司董事所知，本公司行政總裁於本公司股份及相關股份中擁有須根據證券及期貨條例第336條登記於本公司存置的登記冊之權益或淡倉如下：

# Report of the Directors

## 董事會報告

### Long and short positions in the Shares and underlying Shares

於股份及相關股份之好倉及淡倉

Name of Shareholder	Nature of interest	Number of securities held (Note 1)	Interest in underlying Shares of share option (Note 1)	Approximate percentage of shareholding (%)
股東姓名	權益性質	所持證券數目 (附註1)	購股權之相關股份權益 (附註1)	概約股權百分比 (%)
Mr. Lu Yongchao 呂永超先生	Interest in a controlled corporation 受控制法團權益	6,100,000 Shares (L) 6,100,000股股份(L)	15,000,000	0.66%
Mr. Sin Kwok Wai Ronald 冼國威先生	Interest in a controlled corporation 受控制法團權益	2,452,000 Shares (L) 2,452,000 股股份(L)	15,000,000	0.55%
Ms. Yip Sum Yu 葉芯瑜女士	Interest in a controlled corporation 受控制法團權益	-	15,000,000	0.47%

Note:

附註：

1. The letter "L" denotes the person's long position in our Shares.

1. 「L」代表該人士於本公司股份之好倉。

### SUBSTANTIAL SHAREHOLDERS' INTERESTS

### 主要股東之權益

As at 31 December 2016, so far as was known to the Directors of the Company, the following persons, other than the Directors and chief executive of the Company, had an interest or short position in the shares and underlying shares of the Company, which were required to be recorded in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

於二零一六年十二月三十一日，就本公司董事所知，以下人士（本公司董事及行政總裁除外）於本公司股份及相關股份中擁有須根據證券及期貨條例第336條登記於本公司存置的登記冊之權益或淡倉如下：

# Report of the Directors

## 董事會報告

### Long and short positions in the Shares and underlying Shares 於股份及相關股份之好倉及淡倉

Name of Shareholder	Nature of interest	Number of securities held (Note 1)	Interest in underlying Shares of share option (Note 1)	Approximate percentage of shareholding (%)
股東姓名／名稱	權益性質	所持證券數目 (附註1)	購股權之相關股份權益 (附註1)	概約股權百分比 (%)
Mr. Jiang Qi Hang 江啟航先生	Interest in a controlled corporation 受控制法團權益	205,012,000 Shares (L) (Note 2) 205,012,000股股份(L) (附註2)	-	6.43%
Ms. Lam Wai Ha 林惠霞女士	Interest in a controlled corporation 受控制法團權益	207,400,000 Shares (L) 207,400,000股股份(L)	-	6.51%
Mr. Lee Yim 李儼先生	Interest in a controlled corporation 受控制法團權益	260,000,000 Shares (L) (Note 4) 260,000,000股股份(L) (附註4)	-	8.16%
Fully Wealthy Inc.	Beneficial owner 實益擁有人	205,012,000 Shares (L) (Note 2) 205,012,000股股份(L) (附註2)	-	6.43%
Wide Select Investments Limited	Beneficial owner 實益擁有人	260,000,000 Shares (L) (Note 3) 260,000,000股股份(L) (附註3)	-	8.16%

Notes:

附註：

- The letter "L" denotes the person's long position in our Shares.
  - Fully Wealthy Inc. is the legal and beneficial owner of approximately 6.43% of the entire issued share capital of the Company. Fully Wealthy Inc. is wholly owned by Mr. Jiang Qi Hang.
- 「L」代表該人士於本公司股份之好倉。
  - Fully Wealthy Inc.為本公司全部已發行股本約6.43%的合法及實益擁有人。Fully Wealthy Inc. 乃由江啟航先生全資擁有。

# Report of the Directors

## 董事會報告

- Wide Select Investments Limited is the legal and beneficial owner of approximately 8.16% of the entire issued share capital of the Company. Wide Select Investments Limited is wholly owned by Mr. Lee Yim.
- The long position denotes the interests of the vendors (i.e. Mr. Lee Yim) pursuant to the Acquisition of Soaring International Holdings Limited on 9 November 2015.

Save as disclosed above, the Directors and the chief executive of the Company are not aware that there is any party who, as at 31 December 2016, had interests or short positions in the shares and underlying shares of the Company, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or be directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances of general meetings of the Company or substantial shareholders as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

### SHARE OPTION SCHEME

The Company operates a share option scheme (the “**Share Option Scheme**”), which was adopted on 7 June 2010 (the “**Adoption Date**”), for the purpose of providing incentives or rewards to selected eligible participants for their contribution to the Group. Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for ten years from the Adoption Date.

Eligible participants of the Share Option Scheme include the following:

- any employee (whether full time or part time) of the Group or any entity (the “**Invested Entity**”) in which any member of the Group holds any equity interest (including any executive director but excluding any non-executive director of the Group or any Invested Entity);

- Wide Select Investments Limited為本公司全部已發行股本約8.16%的合法及實益擁有人。Wide Select Investments Limited 乃由李儼先生全資擁有。
- 好倉指賣方(即李儼先生)根據於二零一五年十一月九日收購Soaring International Holdings Limited所擁有之權益。

除上文所披露者外，就本公司董事及行政總裁所知，於二零一六年十二月三十一日，並無任何人士在本公司股份及相關股份中擁有須根據證券及期貨條例第XV部第2及3分部之條文向本公司披露之權益或淡倉，或直接或間接擁有可於任何情況下在本公司或按本公司須根據證券及期貨條例第336條存置的登記冊所記錄的主要股東的股東大會上投票之任何類別股本的面值5%或以上之權益。

### 購股權計劃

本公司設有一項購股權計劃(「**購股權計劃**」)，該計劃於二零一零年六月七日(「**採納日期**」)採納，目的是向經甄選合資格參與者提供獎勵或報酬，以表揚彼等對本集團作出之貢獻。除非另行取消或修訂，否則購股權計劃將由採納日期起一直有效，為期十年。

購股權計劃之合資格參與者包括以下人士：

- 本集團或本集團任何成員公司持有股權之任何實體(「**被投資實體**」)之任何僱員(不論全職或兼職)(包括本集團或任何被投資實體的任何執行董事但不包括其任何非執行董事)；

## Report of the Directors 董事會報告

- |  |  |
|--|--|
| (ii) any non-executive directors (including independent non-executive directors) of the Group or any Invested Entity;  | (ii) 本集團或任何被投資實體之任何非執行董事（包括獨立非執行董事）；                         |
| (iii) any supplier of goods or services to any member of the Group or any Invested Entity;   | (iii) 向本集團任何成員公司或任何被投資實體提供貨品或服務之任何供應商；                       |
| (iv) any customer of the Group or any Invested Entity;   | (iv) 本集團或任何被投資實體之任何客戶；                                       |
| (v) any person or entity that provides research, development or other technological support to the Group or any Invested Entity;   | (v) 向本集團或任何被投資實體提供研究、開發或其他技術支持之任何人士或實體；                      |
| (vi) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;   | (vi) 本集團任何成員公司或任何被投資實體之任何股東或本集團任何成員公司或任何被投資實體所發行任何證券之持有人；    |
| (vii) any adviser (professional or otherwise) or consultant to any area of business or business development of the Group or any Invested Entity; and   | (vii) 就本集團或任何被投資實體的業務或業務發展之任何範疇提供意見之任何顧問（專業或其他方面）或諮詢人；及      |
| (viii) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliances or other business arrangement to the development and growth of the Group. | (viii) 透過合作經營、業務聯盟或其他業務安排，對本集團的發展及增長作出貢獻或可能作出貢獻之任何組別或類別之參與者。 |

The maximum number of Shares issuable upon exercise of the options which may be granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised and outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being. Any further grant of share options in excess of this limit is subject to Shareholders' approval in a general meeting.

於任何12個月期間內，每名參與者因行使根據購股權計劃及本集團任何其他購股權計劃可授出的購股權（包括已行使及尚未行使的購股權）而可獲發行之股份最高數目，不得超過本公司當時之已發行股本之1%。任何進一步授出超出該上限之購股權，須經股東在股東大會上批准。

## Report of the Directors 董事會報告

Share options granted to a Director, chief executive or substantial shareholder of the Company, or to any of their respective associates (as defined under the Listing Rules), are subject to approval in advance by the independent non-executive Directors (excluding independent non-executive Director who is the grantee of the options). In addition, where any grant of share options to a substantial shareholder or an independent non-executive Director, or to any of their respective associates, would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in excess of 0.1% of the Shares in issue and with an aggregate value (based on the closing price of the Shares at the date of the grant) in excess of HK\$5 million, in a 12-month period up to and including the date of grant, such grant of share options are subject to Shareholders' approval in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of the offer, upon payment of a nominal consideration of HK\$1 by the grantee. The exercise period for the share options granted is determined by the Board, whose period may commence from the date of acceptance of the offer for the grant of share options but shall end in any event not later than 10 years from the date of the grant of the option subject to the provisions for early termination under the Share Option Scheme.

The subscription price for Shares under the Share Option Scheme shall be a price determined by the Board, but shall not be less than the highest of:

- (i) the closing price of Shares as stated in the daily quotations sheet of the Stock Exchange on the date of the offer of the grant, which must be a trading day;
- (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of the offer of grant; and
- (iii) the nominal value of a Share.

向本公司董事、行政總裁或主要股東或向任何彼等各自之聯繫人（定義見上市規則）授出購股權，須事先經獨立非執行董事（不包括身為購股權承授人之獨立非執行董事）批准。此外，倘若向主要股東或獨立非執行董事或彼等各自之聯繫人授出任何購股權，將導致於截至授出日期（包括該日）止12個月期間內，有關人士因行使所有已獲授及將獲授之購股權（包括已行使、註銷及尚未行使之購股權）而獲發行及將獲發行之股份，超出已發行股份的0.1%，且總值（根據授出日期之股份收市價計算）超出500萬港元，則上述授出購股權須經股東在股東大會上批准。

授出的購股權可於授出日期起計21日內，由承授人支付象徵式代價1港元而接納。所授出購股權之行使期由董事會釐定，而該期間由所授出購股權獲接納日期開始，而無論如何不得遲於授出購股權日期後第10年屆滿，惟可根據購股權計劃的有關條文而提早終止。

根據購股權計劃認購股份之認購價將由董事會釐定，惟不得低於下列最高者：

- (i) 於授出日期（須為交易日）聯交所每日報價表所示之股份收市價；
- (ii) 於緊接授出日期前五個營業日在聯交所每日報價表所示之股份平均收市價；及
- (iii) 每股面值。



# Report of the Directors

## 董事會報告

Since the Adoption Date and up to 31 December 2016, 200,000,000 share options has been granted by the Company, representing 6.28% of the issued share capital of the Company as at 31 December 2016.

由採納日期直至二零一六年十二月三十一日，本公司已授出200,000,000份購股權，相等於本公司於二零一六年十二月三十一日之已發行股本6.28%。

### DIRECTORS' INTEREST IN SHARE OPTIONS

### 董事於購股權之權益

#### Movement of the Share Options

#### 購股權變動

Movements of the share options which were granted under the Share Option Scheme, during the year under review were listed below in accordance with Rule 17.07 of the Listing Rules:

根據上市規則第17.07條，於回顧年間根據購股權計劃授出之購股權變動如下：

Grantee 承授人	Date of grant 授出日期	Exercise price (HK\$) 行使價 (港元)	Outstanding as at 1 January 2016 於二零一六年 一月一日 尚未行使	Number of share option 購股權數目				Outstanding as at 31 December 2016 於二零一六年 十二月三十一日 尚未行使
			Granted 已授出	Exercised 已行使	Cancelled 已註銷	Lapsed 已失效		
<b>Executive Director</b> <b>執行董事</b>								
Mr. Sin Kwok Wai Ronald 冼國威先生	16 March 2015 二零一五年三月十六日	0.32	15,000,000	-	-	-	-	15,000,000 (Note 1) (附註1)
<b>Non-Executive Director</b> <b>非執行董事</b>								
Ms. Yip Sum Yu 葉芯瑜女士	16 March 2015 二零一五年三月十六日	0.32	15,000,000	-	-	-	-	15,000,000 (Note 1) (附註1)
<b>Senior Management</b> <b>高級管理層</b>								
Mr. Lu Yongchao 呂永超先生	16 March 2015 二零一五年三月十六日	0.32	15,000,000	-	-	-	-	15,000,000 (Note 1) (附註1)

# Report of the Directors

## 董事會報告

Grantee 承授人	Date of grant 授出日期	Exercise price (HK\$) 行使價 (港元)	Outstanding as at 1 January 2016 於二零一六年 一月一日 尚未行使	Number of share option 購股權數目				Outstanding as at 31 December 2016 於二零一六年 十二月三十一日 尚未行使
			Granted 已授出	Exercised 已行使	Cancelled 已註銷	Lapsed 已失效		
<b>Employees</b> <b>僱員</b>								
Employees	16 March 2015	0.32	75,000,000	-	-	-	-	75,000,000 (Note 1)
僱員	二零一五年三月十六日							(附註1)
	13 January 2016	0.315	-	80,000,000 (Note 2)	-	-	-	80,000,000 (Note 2)
	二零一六年一月十三日			(附註2)				(附註2)
<b>Total</b> <b>合計</b>			120,000,000	80,000,000	-	-	-	200,000,000

Notes:

- These options should be valid for a term of three years commencing from 16 March 2015. The closing price of the Company's shares on 13 March 2015 (the trading day immediately before the date on which these options were granted) was HK\$0.248.
- These options should be valid for a term of three years commencing from 13 January 2016. The closing price of the Company's shares on 12 January 2016 (the trading day immediately before the date on which these options were granted) was HK\$0.30.

附註：

- 該等購股權有效期為三年，自二零一五年三月十六日起生效。本公司股份於二零一五年三月十三日（緊接該等購股權授出日期前的交易日）的收市價為0.248港元。
- 該等購股權有效期為三年，自二零一六年一月十三日起生效。本公司股份於二零一六年一月十二日（緊接該等購股權授出日期前的交易日）的收市價為0.30港元。

The fair value of equity-settled share options granted during the interim period ended 31 December 2016 was estimated as at the date of grant, using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

Dividend yield (%)	0.00
Expected volatility (%)	86
Risk-free interest rate (%)	1.134
Expected life of options (year)	1.50
Closing share price at grant date (HK\$)	0.3

於截至二零一六年十二月三十一日止中期期間，授出之股本結算購股權之公平值乃於授出購股權日期以「柏力克－舒爾斯」期權定價模式作出估計，並經計及所授購股權之條款及條件。下表載列所採用模式之參數：

派息率(%)	0.00
預期波幅(%)	86
無風險利率(%)	1.134
購股權之估計年期(年)	1.50
於授出日期之收市價(港元)	0.3

# Report of the Directors

## 董事會報告

The expected life of the options is based on management expectation and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

The fair value of equity-settled share options granted and the Group recognised as in note 33, a share option expense of approximately RMB11,024,000 during the year ended 31 December 2016.

### EMPLOYEES' INTEREST IN SHARE OPTION SCHEME

At no time during the year ended 31 December 2016 was the Company or any of its subsidiaries a party to any arrangement to enable the employees or any of their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in the Company or any other body corporate.

### RIGHTS TO ACQUIRE COMPANY'S SECURITIES

Other than as disclosed under the sections "Share Option Scheme" and "Directors' Interest in Shares" above, at no time during the year under review was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executives of the Company or their respective associates (as defined in the Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

### CONNECTED TRANSACTIONS

Details of the related party transactions undertaken by the Group in the usual course of business are set out in note 36 to the financial statements. None of these related party transactions constitutes a discloseable connected transaction as defined under the Listing Rules.

購股權之估計年期乃根據管理層之預期釐定，並不一定標示可能出現之行使規律。預期波幅反映歷史波幅可標示未來趨勢之假設，但未必為實際結果。

授出股本結算購股權之公平值及本集團如附註33確認，於截至二零一六年十二月三十一日止年度一項購股權開支約為人民幣11,024,000元。

### 僱員於購股權計劃之權益

於截至二零一六年十二月三十一日止年度內任何時間，本公司或其任何附屬公司概無訂立任何安排，致使僱員或彼等之配偶或18歲以下之子女可藉購入本公司或任何其他企業之股份而獲益。

### 購買本公司證券之權利

除上文「購股權計劃」及「董事於股份之權益」兩節所披露者外，於回顧年度內任何時間，本公司或其任何附屬公司或其任何同系附屬公司概無訂立任何安排，致使本公司之董事或行政總裁或彼等各自之聯繫人（定義見上市規則）有任何權利認購本公司或其相聯法團（定義見證券及期貨條例）之證券，或可藉購入本公司或任何其他企業之股份或債券而獲益。

### 關連交易

本集團在日常業務過程中進行之關連方交易詳情載於財務報表附註36。概無該等關連方交易構成上市規則所界定之須予披露關連交易。

## PLACING AND SUBSCRIPTION OF NEW SHARES

### April Placing

On 20 April 2016, the Company entered into a conditional placing agreement with a placing agent in relation to (i) the placing of a maximum of 409,000,000 new ordinary shares of the Company to not less than six independent placees at a price of HK\$0.166 per Share ("April Placing"), representing a discount of approximately 19.81% to the closing price of HK\$0.207 per Share on 20 April 2016. The Directors considered that the April Placing represent an opportunity to raise capital for the Company while broadening the Shareholder base and capital base of the Company. Accordingly, the Directors consider the April Placing is in the interests of the Company and the Shareholders as a whole.

The April Placing was completed on 16 May 2016 and a total of 409,000,000 Placing Shares were allotted and issued to the placees. The net proceeds raised per Share upon completion of the April Placing is approximately HK\$0.163 per Share. The whole amount of the net proceeds of approximately HK\$66.8 million, with HK\$58 million was used for working capital of money lending subsidiary and the balance was cash at bank. Details of the April Placing was set out in the announcement of the Company dated 20 April 2016.

## 配售及認購新股份

### 四月配售事項

於二零一六年四月二十日，本公司與配售代理訂立有條件配售協議，內容有關(i)以每股股份0.166港元之價格將本公司最多409,000,000股新普通股配售予不少於六名獨立承配人(「四月配售事項」)，相當於二零一六年四月二十日收市價每股股份0.207港元折讓約19.81%。董事認為，四月配售事項乃一個為本公司籌集資金，同時能夠擴大股東基礎及本公司之資本基礎之機會。因此，董事認為，四月配售事項符合本公司及股東之整體利益。

四月配售事項已於二零一六年五月十六日完成，合共409,000,000股配售股份已配發及發行予承配人。四月配售事項完成後，每股股份所籌集之款項淨額約為0.163港元。所得款項淨額之總額約為66,800,000港元。58,000,000港元已用作放債附屬公司之營運資金。餘額存入銀行。四月配售事項之詳情載於本公司日期為二零一六年四月二十日之公佈。

# Report of the Directors

## 董事會報告

### September Subscription

On 6 September 2016, and as supplemented by a supplemental agreement dated 7 September 2016, that the Company and the Subscriber entered into a Subscription Agreement pursuant to which the Subscriber agreed to subscribe and the Company agreed to issue a total of 207,400,000 new Shares at the price of HK\$0.166 per Share for settlement of the Promissory Note (P Note). According to the term of the P Note, the Company might early redeem the whole or any part of the P Note, and the P Note had interest at the rate of 3% per annum and would be due on 23 March 2017. Therefore, the issue of the Subscription Shares capitalized almost the entire outstanding amount under the P Note and it was expected that completion of the Subscription Agreement would improve the financial position of the Company by enlarging its capital base and reducing its liabilities. As the Subscriber, Ms Lam Wai Ha was a director of a subsidiary of the Company and hence was a connected person of the Company at the subsidiary level. The September Subscription constituted a connected transaction for the Company under the Listing Rules.

The September Subscription was completed and a total of 207,400,000 shares were allotted and issued to the Subscriber in November 2016. The Subscription resulted in a dilution of the existing shareholdings, however, the Company considered that the dilution was not substantial and the interest of existing shareholders would not be materially affected. Details of the September Subscription were set on in the announcements of the Company dated 6 September 2016 and 7 September 2016.

### COMPETING INTERESTS

None of the Directors or the substantial shareholders of the Company and their respective associates (as defined under the Listing Rules) had any interest in a business which competes or may compete with the business of the Group or has any other conflict of interest with the Group during the year and up to the date of this report.

### 九月認購事項

於二零一六年九月六日，經日期為二零一六年九月七日之補充協議補充，本公司與認購人訂立認購協議，據此，認購人同意認購而本公司同意發行合共207,400,000股每股作價0.166港元之新股份以結算承兌票據。根據承兌票據之條款，本公司可提前贖回全部或任何部分之承兌票據，而承兌票據按年利率3%計息，將於二零一七年三月二十三日到期，故發行認購股份將承兌票據項下近乎全部未償還金額資本化，且預期認購協議的完成將藉著擴大本公司之資本基礎及降低其負債，從而改善本公司之財務狀況。作為認購人，林惠霞女士為本公司附屬公司之董事，因此為本公司附屬公司層面之關連人士，故九月認購事項構成上市規則項下之本公司關連交易。

九月認購事項已於二零一六年十一月完成，而合共207,400,000股股份已配發及發行予認購人。認購事項將攤薄現有股權，然而本公司認為，攤薄並不重大，而股東的現有權益將不會受到重大影響。有關九月認購事項之詳情載於本公司日期為二零一六年九月六日及二零一六年九月七日之公佈。

### 競爭權益

於年內及直至本報告日期，本公司董事或主要股東及彼等各自之聯繫人（定義見上市規則）概無在與本集團業務競爭或可能構成競爭的業務中擁有任何權益，或與本集團有任何其他利益衝突。

## PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

## MANAGEMENT CONTRACTS

No contracts of significance concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

## EMOLUMENT POLICY

The emolument policy of the employees and senior management of the Group is set by the remuneration committee of the Company on the basis of their merit, qualifications and competence.

The emoluments of the Directors are decided by the remuneration committee of the Company, having regard to market competitiveness, individual performance and achievement.

The Company has adopted a share option scheme as an incentive to among other Directors and other eligible employees of the Group. Details of the scheme are set out in note 33 to the financial statements.

## CORPORATE GOVERNANCE

Details of the Company's corporate governance practices are set out in the section headed "Corporate Governance Report" of this annual report.

## 優先購買權

本公司組織章程細則或開曼群島法例並無有關優先購買權之條文，規定本公司須按比例向現有股東發售新股份。

## 管理合約

年內並無訂立或存在有關本公司全部業務或其中任何重要部份的管理及行政之重大合約。

## 酬金政策

本集團僱員及高級管理層之酬金政策乃由本公司薪酬委員會根據有關人士之專長、資歷及能力而制訂。

董事之酬金乃由本公司薪酬委員會經考慮市場競爭力、個人表現及績效而決定。

本公司已採納購股權計劃，作為（其中包括）本集團董事及其他合資格僱員之獎勵，有關該計劃之詳情載於財務報表附註33。

## 企業管治

本公司企業管治常規詳情載於本年報「企業管治報告」一節。

# Report of the Directors

## 董事會報告

### CHARITABLE DONATIONS

The Group had no charitable donations during the year ended 31 December 2016.

### BUSINESS REVIEW

Please refer to the section headed “Management discussion and analysis” in this annual report for a business review and the future prospects of the Company. Please refer to the notes to the financial statements in this annual report for the principal financial risks faced by the Company. Please refer to Note 40 to the financial statements in this annual report for the important events of the Company after the financial year ended 31 December 2016.

### AUDIT COMMITTEE

The Company established the Audit Committee with written terms of reference in compliance with the requirements as set out in the Listing Rules for the purposes of reviewing and supervising the financial reporting process and internal controls of the Group.

The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Tong Yiu On (Chairman), Mr. Cao Ke and Mr. Li Yik Sang. The Audit Committee has reviewed and discussed with the management and the external auditor for the financial reporting matters including the annual results for the year ended 31 December 2016.

### 慈善捐款

本集團於截至二零一六年十二月三十一日止年度並無慈善捐款。

### 業務回顧

有關本公司業務回顧及未來前景，請參閱本年報「管理層討論與分析」一節。有關本公司面對的主要財務風險，請參閱本年報內財務報表附註。有關本公司於截至二零一六年十二月三十一日止財政年度後之重要事項，請參閱本年報內財務報表附註40。

### 審核委員會

本公司已成立審核委員會，並已遵照上市規則所載規定制訂書面職權範圍，目的是檢討及監察本集團之財務申報程序及內部監控。

審核委員會成員現時包括三名獨立非執行董事，即唐耀安先生（主席）、曹克先生及李奕生先生。審核委員會已與管理層及外聘核數師一同審閱及討論財務申報事宜，包括截至二零一六年十二月三十一日止年度之全年業績。

## AUDITOR

Messrs. Deloitte Touche Tohmatsu (the “Deloitte”), was auditor of the Company for the year ended 31 December 2013 and 2014 and resigned as auditor of the Company with effect from 29 January 2016. Elite Partners CPA Limited (“Elite Partners”) was appointed as the new auditor of the Company to fill the vacancy occasioned by the resignation of Deloitte and the consolidated financial statements for the year ended 31 December 2015 to 2016 was audited by Elite Partners.

A resolution to re-appoint the retiring auditor, Elite Partners CPA Limited, will be proposed at the forthcoming annual general meeting.

By order of the Board  
**Sinoref Holdings Limited**  
**Xu Yejun**  
*Director*  
Hong Kong, 31 March 2017

## 核數師

德勤•關黃陳方會計師行(「德勤」)於截至二零一三年及二零一四年十二月三十一日止年度為本公司核數師，並自二零一六年一月二十九日起辭任本公司核數師。開元信德會計師事務所有限公司(「開元信德」)獲委任為本集團之新任核數師，以填補德勤辭任後所產生之空缺。截至二零一五年至二零一六年十二月三十一日止年度之綜合財務報表由開元信德審核。

在應屆股東週年大會上將提呈決議案，續聘退任的開元信德會計師事務所有限公司為本公司核數師。

承董事會命  
**華耐控股有限公司**  
*董事*  
**徐葉君**  
香港，二零一七年三月三十一日



# Independent Auditor's Report

## 獨立核數師報告



開元信德會計師事務所有限公司  
ELITE PARTNERS CPA LIMITED  
Certified Public Accountants

### TO THE MEMBERS OF SINOREF HOLDINGS LIMITED

*(incorporated in the Cayman Islands with limited liability)*

### OPINION

We have audited the consolidated financial statements of Sinoref Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) set out on pages 89 to 187, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2016 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### 致華耐控股有限公司列位股東

*(於開曼群島註冊成立之有限公司)*

### 意見

本核數師（以下簡稱「我們」）已審計列載於第89至187頁華耐控股有限公司（「貴公司」）及其附屬公司（統稱「貴集團」）的綜合財務報表，此綜合財務報表包括於二零一六年十二月三十一日的綜合財務狀況表及截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，其中包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會（「香港會計師公會」）頒佈的香港財務報告準則真實而公平地反映貴集團於二零一六年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港公司條例的披露規定妥為編製。

# Independent Auditor's Report

## 獨立核數師報告

### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We are independent of the Group in accordance with the HKICPA’s “Code of Ethics for Professional Accountants” (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### 意見基礎

我們已根據香港會計師公會頒佈的香港審計準則（「香港審計準則」）進行審計。我們在該等準則下的職責於本報告中「核數師就審核綜合財務報表須承擔的責任」一節中有進一步闡述。根據香港會計師公會頒佈之《國際職業會計師道德守則》（「該守則」），我們獨立於貴集團，並已履行該守則中其他道德責任。我們相信，我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

### 關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對我們審計本期綜合財務報表最為重要的事項。這些事項在我們審計整體綜合財務報表及達成我們對其的意見時處理，而我們不會對這些事項提供個別的意見。

# Independent Auditor's Report

## 獨立核數師報告

### Key audit matter

#### 關鍵審計事項

#### Impairment assessment of goodwill and intangible assets

##### 商譽及無形資產減值評估

As at 31 December 2016, the Group had goodwill and intangible assets of approximately RMB327 million and RMB63 million respectively, which were allocated to two cash generating units, namely Money lending and E-Commerce "CGUs".

For the purpose of assessing impairment, the Group appointed an independent external valuer to assess the recoverable amount of the CGUs, which were determined by management based on the higher of value-in-use and fair value less costs of disposal. The valuation requires significant judgement made by management in determining the CGUs.

We had identified impairment of goodwill and intangible assets as a key audit matter because significant management judgement was used to appropriately identify the CGUs and to determine the key assumptions including estimated future income, operating margins and discount rates. After the management assessment, management has concluded that there is no impairment in respect of goodwill and intangible assets.

於二零一六年十二月三十一日，貴集團之商譽及無形資產分別約人民幣327,000,000元及人民幣63,000,000元，其獲分配至兩個現金產生單位，即放債及電子商務「現金產生單位」。

為評估減值，貴集團委任一名獨立外聘估值師評估現金產生單位之可收回金額，其乃由管理層根據使用價值和公平值減出售成本之較高者釐定。現金產生單位之釐定須由管理層作出重大判斷，方可完成。

由於管理層的重大判斷用於適當地識別現金產生單位及釐定關鍵假設（包括估計未來收益、經營利潤及折現率），故我們將商譽及無形資產減值識別為關鍵審計事項。經管理層評估後，管理層總結概無就商譽及無形資產之減值。

### How the matter was addressed in our audit

#### 我們的審計如何處理關鍵審計事項

Our audit procedures to address the impairment assessment of goodwill and intangible assets included the following:

- Assessing the management's identification of CGUs based on our understanding of the Group's operation.
- Assessing the reasonableness of the underlying cash flow projections used for the determination of the CGUs prepared by management, including but not limited to calculation methodology, assumptions, growth rate, operating margins and discount rate.
- Comparing the current year actual cash flows with the prior year cash flow projections to consider if the projections included assumptions that were overly optimistic.
- Testing on the accuracy and reliance of the input data used for the preparation of the cash flow projection on a sample basis.
- Assessing the sensitivity analysis on key assumptions being used in the cash flow project (e.g. using a range of higher discount rates and lower revenue growth rate).

我們處理商譽及無形資產減值評估的審計程序包括以下：

- 根據我們對貴集團經營的瞭解評估管理層對現金產生單位的識別。
- 評估管理層用於釐定現金產生單位所編製的相關現金流量預測是否合理，包括但不限於計算方法、假設、成長率、經營利潤及折現率。
- 將本年度的實際現金流量與上年的現金流量預測進行比較，以考慮預測所包含的假設是否過於樂觀。
- 按樣本基準測試用於編製現金流量預測的輸入數據是否準確及可靠。
- 評估用於現金流量預測的關鍵假設之敏感度分析（例如使用各項較高的折現率及較低的收入成長率）。

# Independent Auditor's Report

## 獨立核數師報告

### Key audit matter

#### 關鍵審計事項

#### Impairment assessment of trade receivables

##### 貿易應收款項減值評估

As at 31 December 2016, the Group had trade receivables of approximately RMB155 million, net of impairment as set out in note 23 to the consolidated financial statements.

We had identified impairment of trade receivables as a key audit matter because significant judgements had to be made for the assessment of the recoverability for each debtor including trading history, credit history and estimated future cash flow. Management has concluded that approximately RMB2,012,000 in respect of the impairment of trade receivables was recognised in the Group's consolidated profit or loss.

於二零一六年十二月三十一日，貴集團扣除減值後之貿易應收款項約人民幣155,000,000元，如綜合財務報表附註23所載。

由於評估每位債務人的可收回性須作出重大判斷方可完成，包括貿易歷史、信用歷史及估計未來現金流量，故我們將貿易應收款項減值識別為關鍵審計事項。管理層總結，就貿易應收款項之減值於貴集團的綜合損益內確認約人民幣2,012,000元。

### How the matter was addressed in our audit

#### 我們的審計如何處理關鍵審計事項

Our audit procedures to address the impairment of trade receivables included the following:

- Testing the accuracy of the ageing of receivables balances on a sample basis.
- Analysing the receivables provision focusing on any anomalies in the provisioning methodology and following up any anomalies, such as unusual payment terms, through review of customer payment history.
- Testing on large individual aged receivables balances, understanding the rationale for management's provisioning decisions by reference to payment patterns during the year as well as other information available.
- Assessing the level of cash collected by the business after the year end of past due receivable balances to consider any additional provisioning requirements.

我們處理貿易應收款項減值的審計程序包括以下：

- 按樣本基準測試應收款項餘額賬齡的準確性。
- 分析應收款項撥備，尤重撥備方法當中任何異常之處，並透過審核顧客付款歷史追蹤任何異常之處，例如異常的付款條款。
- 測試單項金額較大且賬齡較長的應收款項餘額，透過參考年內的付款模式及其他現有資料瞭解管理層撥備決定之理據。
- 評估於年末之後業務從逾期應收款項餘額中收回之現金水平，以考慮是否作出額外撥備要求。

# Independent Auditor's Report

## 獨立核數師報告

### Key audit matter

#### 關鍵審計事項

#### Impairment assessment of loan receivables

##### 應收貸款減值評估

As at 31 December 2016, the Group had loan receivables of approximately RMB221 million, as set out in note 25 to the consolidated financial statements. During the year ended 31 December 2016, no impairment had been provided by the Group on the loan receivables.

We had identified impairment assessment of loan receivables as a key audit matter because significant management judgement had to be made for the assessment of the recoverability of the receivables. (e.g. the credit history and estimated future cash flows).

於二零一六年十二月三十一日，貴集團之應收貸款約人民幣221,000,000元，如綜合財務報表附註25所載。於截至二零一六年十二月三十一日止年度內，貴集團概無作出應收貸款減值撥備。

由於評估該等應收款項的可回收性（例如信貸紀錄及未來現金流量之估計）須作出重大管理層判斷方可完成，故我們將應收貸款減值評估識別為關鍵審計事項。

### How the matter was addressed in our audit

#### 我們的審計如何處理關鍵審計事項

Our major audit procedures to address the management's impairment assessment of loan receivables included the following:

- We discussed with management if there is any indicator of impairment of the loan receivables and accessed the reasonableness of management's assessment, in particular, those balances had been past due.
- We tested on a sample basis on the settlement made by the borrowers during the year and their subsequent settlement with reference to the repayment schedule.

我們處理管理層對應收貸款的減值評估的重大審計程序包括以下：

- 我們與管理層討論應收貸款是否出現任何減值跡象，並取得管理層評估的合理性，尤其是該等結餘已逾期。
- 我們按樣本基準並參照還款年期對借款人於年內償還之金額及期後償還之金額作出測試。

# Independent Auditor's Report

## 獨立核數師報告

### OTHER INFORMATION IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### DIRECTORS' AND THOSE CHARGED WITH GOVERNANCE RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and such internal control as the directors determined is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### 本年報的其他資料

本公司董事須對其他資料負責。其他資料包括 貴公司年報內所載的資料，但不包括綜合財務報表及我們載於其中的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他資料，我們亦不對該等其他資料發表任何形式的保證結論。

就我們對綜合財務報表的審計，我們的責任乃細閱其他資料，並在此過程中考慮其他資料與綜合財務報表或我們在審計過程中所知悉的情況是否存在重大抵觸或看似存在重大錯誤陳述。基於我們已執行的工作，倘我們認為其他資料存在重大錯誤陳述，我們須報告該事實。我們就此並無任何事項須報告。

### 董事及治理層就綜合財務報表須承擔的責任

本公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製綜合財務報表，以令綜合財務報表作出真實而公平的反映，及落實其認為就編製綜合財務報表所必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製綜合財務報表時，本公司董事負責評估 貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基準，除非董事有意將 貴集團清盤或停止經營，或別無其他實際的替代方案。

治理層有責任監督 貴集團財務申報程序。

# Independent Auditor's Report

## 獨立核數師報告

### AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with the terms of our engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

### 核數師就審核綜合財務報表須承 擔的責任

我們的目標乃合理保證綜合財務報表整體是否不存在任何由於欺詐或錯誤而導致的重大錯誤陳述，並出具包括我們的意見的核數師報告。本報告僅根據我們獲委聘的條款向閣下全體報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

合理保證乃高水平的保證，但不能保證按照香港審計準則進行的審計總能發現重大錯誤陳述。錯誤陳述可能由欺詐或錯誤引起，如果合理預期其單獨或匯總起來可能影響綜合財務報表使用者基於綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

作為根據香港審計準則進行審計其中一環，我們運用專業判斷，保持專業懷疑態度。我們亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對該等風險，以及獲取充足及適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致出現重大錯誤陳述的風險高於未能發現因錯誤而導致出現重大錯誤陳述的風險。
- 瞭解與審計相關的內部控制，以設計在有關情況下屬適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。

# Independent Auditor's Report

## 獨立核數師報告

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 評估董事所採用會計政策的適當性以及作出會計估計及相關披露的合理性。
- 對董事採用持續經營會計基礎的適當性作出結論，並根據所獲取的審計憑證，確定是否存在與事件或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。倘我們確定存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若該等披露不足，則修訂我們的意見。我們的結論乃基於直至本核數師報告日期所取得的審計憑證。然而，未來事件或情況可能導致 貴集團不能持續經營業務。
- 評估綜合財務報表的整體列報方式、結構及內容（包括披露）以及綜合財務報表是否公平反映相關交易及事件。
- 就 貴集團內實體或業務活動的財務資料獲取充足適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督及執行。我們為審計意見承擔全部責任。

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

我們與治理層溝通（其中包括）審計的計劃範圍及時間以及重大審計發現等，包括我們在審計中識別出內部控制的任何重大不足之處。

我們亦向治理層提交聲明，表明我們已符合有關獨立性的相關專業道德要求，並與彼等溝通可能合理被認為會影響我們獨立性的所有關係及其他事項以及在適用的情況下相關的防範措施。



# Independent Auditor's Report

## 獨立核數師報告

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Elite Partners CPA Limited**

*Certified Public Accountants*

Hong Kong, 31 March 2017

### **Chan Wai Nam, William**

Practising Certificate no. P05957

10th Floor,  
8 Observatory Road,  
Tsim Sha Tsui,  
Kowloon, Hong Kong

從與治理層溝通的事項中，我們確定該等對本期綜合財務報表的審計最為重要的事項，因而構成關鍵審計事項。我們在核數師報告中闡釋該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見的情況下，合理預期倘於我們之報告中註明某事項造成的負面後果超過產生的公眾利益，則我們決定不應在報告中註明該事項。

### **開元信德會計師事務所有限公司**

*執業會計師*

香港，二零一七年三月三十一日

### **陳偉楠**

執業證書編號：P05957

香港九龍  
尖沙咀  
天文臺道8號  
10樓

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

## 綜合損益及其他全面收益表

For the year ended 31 December 2016  
截至二零一六年十二月三十一日止年度

				2016 二零一六年	2015 二零一五年
		Notes 附註	RMB'000 人民幣千元	RMB'000 人民幣千元	
Revenue	收入	7	357,840	288,942	
Cost of sales	銷售成本		(340,735)	(315,487)	
Gross profit/(loss)	毛利/(毛損)		17,105	(26,545)	
Other income	其他收入	9	2,395	730	
Impairment loss on various assets	各項資產減值虧損	10	(2,012)	(143,485)	
Selling and distribution costs	銷售及分銷成本		(20,297)	(29,553)	
Administrative expenses	行政開支		(69,861)	(34,653)	
Other expenses	其他開支		(26,612)	(32,547)	
Equity-settled share option expenses	股本結算購股權開支		(11,024)	(10,407)	
Loss on early redemption of promissory note	提前贖回承兌票據虧損	31	(26,191)	-	
Finance costs	財務成本	11	(5,494)	(2,426)	
Loss before taxation	除稅前虧損	12	(141,991)	(278,886)	
Taxation	稅項	13	4,052	7,618	
Loss for the year	年度虧損		<b>(137,939)</b>	<b>(271,268)</b>	
<b>Attributable to:</b>	<b>以下各項應佔：</b>				
Owners of the Company	本公司擁有人		(138,695)	(271,432)	
Non-controlling interests	非控股權益		756	164	
			<b>(137,939)</b>	<b>(271,268)</b>	
Loss per share	每股虧損	17			
Basic and diluted	基本及攤薄		<b>(RMB4.86 cents)</b> <b>(人民幣4.86分)</b>	(RMB14.14 cents) (人民幣4.86分)	

The accompanying notes form an integral part of these consolidated financial statements.  
隨附的財務報表附註為本綜合財務報表的組成部分。

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

## 綜合損益及其他全面收益表

For the year ended 31 December 2016  
截至二零一六年十二月三十一日止年度

		2016 二零一六年	2015 二零一五年
		RMB'000 人民幣千元	RMB'000 人民幣千元
<b>LOSS FOR THE YEAR</b>	<b>年度虧損</b>	<b>(137,939)</b>	(271,268)
<b>OTHER COMPREHENSIVE INCOME</b>	<b>其他全面收益</b>		
<i>Item that may be reclassified subsequently to profit or loss:</i>	<i>可能於其後重新分類至損益的項目：</i>		
Exchange differences arising on translation of foreign operations	換算海外業務時產生的匯兌差額	<b>28,213</b>	19,307
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>年度其他全面收益</b>	<b>28,213</b>	19,307
<b>TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR</b>	<b>年度全面開支總額</b>	<b>(109,726)</b>	(251,961)
<b>Total comprehensive expense for the year attributable to:</b>	<b>應佔年度全面開支總額之各項如下：</b>		
Owners of the Company	本公司擁有人	<b>(110,517)</b>	(252,132)
Non-controlling interests	非控股權益	<b>791</b>	171
		<b>(109,726)</b>	(251,961)

# Consolidated Statement of Financial Position

## 綜合財務狀況表

At 31 December 2016  
於二零一六年十二月三十一日

		Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	18	12,824	12,155
Goodwill	商譽	19	327,005	305,823
Intangible assets	無形資產	20	63,309	92,623
Prepaid lease payments	預付租賃款項	21	254	410
			<b>403,392</b>	<b>411,011</b>
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	22	62,298	59,185
Trade receivables	貿易應收款項	23	155,229	213,257
Bills receivables	應收票據	24	12,315	17,100
Loan receivables	應收貸款	25	221,241	50,346
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項		45,920	39,455
Prepaid lease payments	預付租賃款項	21	156	156
Restricted bank deposits	受限制銀行存款	26	2,054	1,749
Bank balances and cash	銀行結餘及現金	26	40,070	83,709
			<b>539,283</b>	<b>464,957</b>
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and bills payables	貿易應付款項及應付票據	27	50,949	40,369
Other payables and accruals	其他應付款項及應計費用	28	29,504	33,710
Tax liabilities	稅項負債		7,937	8,569
Bank and other borrowings	銀行及其他借貸	29	84,462	20,361
			<b>172,852</b>	<b>103,009</b>
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>366,431</b>	<b>361,948</b>
<b>Total assets less current liabilities</b>	<b>資產總值減流動負債</b>		<b>769,823</b>	<b>772,959</b>
<b>Non-current liability</b>	<b>非流動負債</b>			
Deferred tax liabilities	遞延稅項負債	30	10,243	15,675
Promissory notes	承兌票據	31	195,730	207,737
			<b>205,973</b>	<b>223,412</b>
<b>Net assets</b>	<b>資產淨值</b>		<b>563,850</b>	<b>549,547</b>
<b>Capital and reserves</b>	<b>資本及儲備</b>			
Share capital	股本	32	266,401	213,708
Reserves	儲備		295,702	334,883
<b>Total equity attributable to owners of the Company</b>	<b>本公司擁有人應佔權益總額</b>		<b>562,103</b>	<b>548,591</b>
<b>Non-controlling interests</b>	<b>非控股權益</b>		<b>1,747</b>	<b>956</b>
<b>Total equity</b>	<b>權益總額</b>		<b>563,850</b>	<b>549,547</b>

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 31 March 2017 and are signed on its behalf by:

董事  
DIRECTOR  
徐葉君  
Xu Yejun

綜合財務報表由董事會於二零一七年三月三十一日批准及授權刊發，並由以下代表簽署：

董事  
DIRECTOR  
冼國威  
Sin Kwok Wai Ronald

The accompanying notes form an integral part of these consolidated financial statements.  
隨附的財務報表附註為本綜合財務報表的組成部分。

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

For the year ended 31 December 2016  
截至二零一六年十二月三十一日止年度

		Total equity attributable to the owners of the Company 本公司擁有人應佔權益總額										
		Share capital	Share premium	Special reserve	Statutory reserves	Share options reserve	Warrant reserve	Exchange reserve	Accumulated losses	Subtotal	Non-controlling interest	Total
		股本	股份溢價	特別儲備	法定儲備	購股權儲備	認股權儲備	匯兌儲備	累計虧損	小計	非控股權益	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
				(Note a) (附註a)	(Note b) (附註b)							
At 1 January 2015	於二零一五年一月一日	133,169	188,664	46,867	48,818	-	-	-	109,030	526,548	-	526,548
Loss for the year	年度虧損	-	-	-	-	-	-	-	(271,432)	(271,432)	164	(271,268)
Other comprehensive income for the year	年度其他全面收益	-	-	-	-	-	-	19,300	-	19,300	7	19,307
Total comprehensive expense for the year	年度全面開支總額	-	-	-	-	-	-	19,300	(271,432)	(252,132)	171	(251,961)
Issue of shares upon placing	於配售時發行股份	37,941	89,513	-	-	-	-	-	-	127,454	-	127,454
Recognition of equity settled share-based payments	確認股本結算以股份為基礎付款	-	-	-	-	10,407	-	-	-	10,407	-	10,407
Issue of shares upon acquisition of subsidiaries	於收購附屬公司時發行股份	42,598	93,716	-	-	-	-	-	-	136,314	-	136,314
Acquisition of subsidiaries	收購附屬公司	-	-	-	-	-	-	-	-	-	785	785
At 31 December 2015 and at 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日	213,708	371,893	46,867	48,818	10,407	-	19,300	(162,402)	548,591	956	549,547
Loss for the year	年度虧損	-	-	-	-	-	-	-	(138,695)	(138,695)	756	(137,939)
Other comprehensive income for the year	年度其他全面收益	-	-	-	-	-	-	28,178	-	28,178	35	28,213
Total comprehensive expense for the year	年度全面開支總額	-	-	-	-	-	-	28,178	(138,695)	(110,517)	791	(109,726)
Issue of share upon exercising of warrants	於行使認股權證時發行股份	33	71	-	-	-	(7)	-	-	97	-	97
Issue of shares upon placing	於配售時發行股份	34,364	21,825	-	-	-	-	-	-	56,189	-	56,189
Issue of shares	發行股份	18,296	38,423	-	-	-	-	-	-	56,719	-	56,719
Issue of warrant	發行認股權證	-	-	-	-	-	9,576	-	(9,576)	-	-	-
Equity settled share option expense	股本結算購股權開支	-	-	-	-	11,024	-	-	-	11,024	-	11,024
At 31 December 2016	於二零一六年十二月三十一日	266,401	432,212	46,867	48,818	21,431	9,569	47,478	(310,673)	562,103	1,747	563,850

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

For the year ended 31 December 2016  
截至二零一六年十二月三十一日止年度

### Notes:

- (a) Special reserve represents the difference between the nominal value of shares of the Company issued as consideration in exchange for the aggregate of the paid-up capital of the subsidiaries of the Company arising upon the corporate reorganisation to rationalise the Group's structure prior to listing of the Company's shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").
- (b) In accordance with the relevant laws and regulations of the People's Republic of China ("PRC"), the PRC subsidiaries are required to provide for PRC statutory reserves, including enterprise expansion fund and general reserve fund, by way of appropriations from its statutory net profit (based on the PRC statutory financial statements of the PRC subsidiaries) but before dividend distributions.

All appropriations to the funds are made at the discretion of the board of directors of PRC subsidiaries. The board of directors of the PRC subsidiaries shall decide on the amounts to be appropriated based on its profitability each year.

The enterprise expansion fund may be used to increase registered capital subject to approval from the relevant PRC authorities. The general reserves fund may be used to offset accumulated losses or increase the registered capital subject to approval from the relevant PRC authorities.

### 附註：

- (a) 特別儲備指於本公司股份在香港聯合交易所有限公司（「聯交所」）上市前為了整頓本集團架構而進行公司重組之時，作為交換代價而發行之本公司股份的面值，與本公司附屬公司繳入資本的總額之間的差額。
- (b) 根據中華人民共和國（「中國」）有關法律及法規，中國附屬公司須從其法定溢利淨額（根據該等中國附屬公司之中國法定財務報表）於分派股息前按比例提撥資金至中國法定儲備，包括企業擴展基金及一般儲備基金。

基金之所有分配乃由該等中國附屬公司之董事會酌情決定。中國附屬公司之董事會將根據其每年盈利能力而決定將予分配之款項。

企業擴展基金可用於增加註冊資本，惟須取得相關中國部門之批准後方可作實。一般儲備基金可用於抵銷累計虧損或增加註冊股本，惟須取得相關中國部門之批准後方可作實。

# Consolidated Statement of Cash Flows

## 綜合現金流量表

For the year ended 31 December 2016  
截至二零一六年十二月三十一日止年度

		2016 二零一六年	2015 二零一五年
		RMB'000 人民幣千元	RMB'000 人民幣千元
<b>Operating activities</b>	<b>經營活動</b>		
Loss before taxation	除稅前虧損	(141,991)	(278,886)
Adjustments for:	就以下各項作出調整：		
Interest income on bank deposits	銀行存款之利息收入	(227)	(108)
Interest expenses	利息開支	5,494	2,426
(Gain)/Loss on disposal of property, plant and equipment	出售物業、廠房及設備之(收益)/虧損	(28)	97
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,618	15,587
Impairment loss recognised in respect of trade receivables	就貿易應收款項確認的減值虧損	2,012	15,396
Impairment loss recognised in respect of property, plant and equipment	就物業、廠房及設備確認的減值虧損	-	58,007
Impairment loss recognised in respect of intangible assets	就無形資產確認的減值虧損	-	9,800
Impairment loss recognised in respect of prepaid lease payment	就預付租賃款項確認的減值虧損	-	14,993
Impairment loss recognised in respect of goodwill	就商譽確認的減值虧損	-	45,289
Amortisation of prepaid lease payments	預付租賃款項攤銷	156	392
Amortisation of intangible assets	無形資產攤銷	34,135	6,636
Share-based payments expenses	以股份為基礎付款開支	11,024	10,407
Loss on early redemption of promissory notes	提前贖回承兌票據虧損	26,191	-
Operating cash flows before movements in working capital	營運資本變動前之經營現金流量	(61,616)	(99,964)
Increase in inventories	存貨增加	(1,964)	(12,375)
Decrease in trade receivables	貿易應收款項減少	56,515	31,063
Decrease in bills receivables	應收票據減少	4,785	25,608
Increase in loan receivables	應收貸款增加	(157,042)	(5,403)
Increase in other receivables, deposits and prepayments	其他應收款項、按金及預付款項增加	(5,749)	(18,197)
Increase/(Decrease) in trade and bills payables	貿易應付款項及應付票據增加/(減少)	9,894	(11,929)
Decrease in other payables and accruals	其他應付款項及應計費用減少	(7,829)	(32,890)
<b>Net cash used in operations</b>	<b>經營所用現金淨額</b>	<b>(163,006)</b>	<b>(124,087)</b>
Income tax paid	已付所得稅	(5,836)	2,963

# Consolidated Statement of Cash Flows

## 綜合現金流量表

For the year ended 31 December 2016  
截至二零一六年十二月三十一日止年度

		2016 二零一六年	2015 二零一五年
		RMB'000 人民幣千元	RMB'000 人民幣千元
<b>Net cash used in operating activities</b>	<b>經營活動所用現金淨額</b>	<b>(168,842)</b>	<b>(121,124)</b>
<b>Investing activities</b>	<b>投資活動</b>		
Interest received	已收利息	227	108
Purchase of property, plant and equipment	購買物業、廠房及設備	(1,642)	(9,911)
Proceed from disposal of a property, plant and equipment	出售物業、廠房及設備所得款項	50	-
Net cash (outflow) from acquisition of subsidiaries	收購附屬公司之現金(流出)淨額	-	(22,450)
(Placement)/Withdrawn of pledged bank deposits	(存放)/提取已抵押銀行存款	(305)	120
<b>Net cash used in investing activities</b>	<b>投資活動所用現金淨額</b>	<b>(1,670)</b>	<b>(32,133)</b>
<b>Financing activities</b>	<b>融資活動</b>		
Proceeds from issue of shares upon placing	於配售時發行股份所得款項	56,189	127,454
Issuance of shares upon exercising of warrants	於行使認股權證時發行股份	97	-
Interest paid	已付利息	(1,105)	(1,261)
Repayment of bank borrowings	償還銀行借貸	(361)	(54)
Proceed from bank and other borrowings	銀行及其他借貸所得款項	64,462	-
<b>Net cash from financing activities</b>	<b>融資活動所得現金淨額</b>	<b>119,282</b>	<b>126,139</b>
<b>Net decrease in cash and cash equivalents</b>	<b>現金及現金等值物減少淨額</b>	<b>(51,230)</b>	<b>(27,118)</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>年初現金及現金等值物</b>	<b>83,709</b>	<b>102,678</b>
Effect of exchange rate changes	匯率變動的影響	7,591	8,149
<b>Cash and cash equivalents at end of the year, representing bank balances and cash</b>	<b>年終現金及現金等值物，以銀行結餘及現金列示</b>	<b>40,070</b>	<b>83,709</b>



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
截至二零一六年十二月三十一日止年度

### 1. GENERAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on the Stock Exchange. The addresses of the registered office and principal place of business of the Company are disclosed in the section headed “Corporate Information” to the annual report.

The Company acts as an investment holding company. The principal activities of its subsidiaries are set out in note 38.

The consolidated financial statements are presented in Renminbi (“RMB”), which is also the functional currency of the Company.

The consolidated financial statements were approved and authorised for issue by the Board on 31 March 2017.

### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied, for the first time, the following new interpretation and amendments to HKFRSs (hereinafter collectively referred to as the “new and revised HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

#### (a) Amendments to HKFRS 10, HKFRS 12 and HKAS 28 Investment Entities: Applying the Consolidation Exception

The amendments mainly clarify that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with HKFRS 10. The Company is not an investment entity. Also, given that the Company is a listed entity, the consolidation exception set out in the amendments will not be applicable to the Company and hence the application of these amendments has had no impact on the Group’s consolidated financial statements.

### 1. 一般資料

本公司在開曼群島註冊成立為獲豁免有限公司，其股份在聯交所上市。本公司之註冊辦事處及主要營業地點之地址在本年報「公司資料」一節內披露。

本公司為一家投資控股公司。本公司的附屬公司之主要業務載於附註38。

綜合財務報表以人民幣（「人民幣」）呈列，而人民幣亦為本公司之功能貨幣。

董事會已於二零一七年三月三十一日批准及授權刊發綜合財務報表。

### 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）

於本年度，本集團已首次應用以下由香港會計師公會（「香港會計師公會」）頒佈之新訂詮釋及對香港財務報告準則之修訂（以下統稱「新訂及經修訂香港財務報告準則」）。

#### (a) 香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號之修訂投資實體：應用綜合入賬之例外情況

該等修訂主要澄清，即使投資實體根據香港財務報告準則第10號按公平值計量其所有附屬公司，作為投資實體附屬公司之母實體仍可豁免編製綜合財務報表。本公司並非投資實體，且鑑於本公司乃上市實體，載於該等修訂的綜合入賬之例外情況將不適用於本公司，故該等修訂的應用對本集團的綜合財務報表無影響。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
截至二零一六年十二月三十一日止年度

### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

#### (b) Amendments to HKFRS 11 Accounting for Acquisitions of Interests in Joint Operations

The amendments provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in HKFRS 3 *Business Combinations*. Specifically, the amendments state that the relevant principles on accounting for business combinations in HKFRS 3 and other standards should be applied. The amendments also require that a joint operator to disclose the relevant information required by HKFRS 3 and other standards for business combinations. The amendments require prospective application; prospectively in annual periods beginning on or after 1 January 2016. The Group did not have any such transactions in the current year and hence the application of these amendments has had no impact on the Group’s consolidated financial statements.

### 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

#### (b) 香港財務報告準則第11號之修訂收購合營業務權益之會計處理

該等修訂就如何為收購構成香港財務報告準則第3號業務合併所界定業務之合營運作的會計處理提供指引。具體而言，該等修訂規定，有關香港財務報告準則第3號所述業務合併會計處理方法之有關原則及其他準則應予採用。該等修訂亦規定合營運作方須按香港財務報告準則第3號及其他準則就業務合併之規定披露有關資料。該等修訂規定提前應用；自二零一六年一月一日或之後開始年度期間提前應用。本集團於本年度概無任何該等交易，故該等修訂的應用對本集團綜合財務報表無影響。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
截至二零一六年十二月三十一日止年度

### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

#### (c) Amendments to HKAS 1 Disclosure Initiative

The amendments clarify that an entity need not provide a specific disclosure required by a HKFRS if the information resulting from that disclosure is not material (even if the HKFRS contains a list of specific requirements or describes them as minimum requirements). The amendments also give guidance on the bases of aggregating and disaggregating information for disclosure purposes. The amendments emphasize that an entity should consider whether to provide additional disclosures when compliance with the specific requirements in HKFRSs is insufficient to enable users of financial statements to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance. Furthermore, the amendments require that an entity's share of the other comprehensive income of associates and joint ventures accounted for using the equity method should be presented separately from those arising from the Group, and should be separated into the share of items that, in accordance with other HKFRSs: (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.

As required by the amendments, the share of other comprehensive income of associates and joint ventures had been separately presented and had been separated into (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met. Other than such a change in presentation, the application of these amendments has not resulted in any impact on the financial performance or financial position of the Group.

### 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

#### (c) 香港會計準則第1號之修訂披露計劃

該等修訂澄清，倘披露產生之資料並不重大，則實體毋須按香港財務報告準則規定提供具體披露（即使香港財務報告準則載有一系列特定要求或描述彼等為最低要求）。該等修訂亦提供為披露目的有關合併及分列資料基礎之指引。該等修訂強調，倘在符合香港財務報告準則之具體要求下仍不足以令使用財務報表之人士理解特定交易、其他事件及狀況對實體之財務狀況及財務表現之影響，則實體應考慮是否提供額外披露。此外，該等修訂規定，實體使用權益法入賬的分佔聯營公司及合營企業的其他全面收益須與來自本集團的其他全面收益分開，單獨呈列，並須單獨列入根據香港財務報告準則分佔：(i)其後不會重新分類至損益的項目；及(ii)當符合特定條件時其後將重新分類至損益的項目。

分佔聯營公司及合營企業的其他全面收益已按該等修訂之規定單獨呈列，並已單獨列入(i)其後不會重新分類至損益的項目；及(ii)當符合特定條件時其後將重新分類至損益的項目。除該等呈列的變動外，該等修訂的應用並未對本集團的財務表現或財務狀況造成任何影響。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
截至二零一六年十二月三十一日止年度

### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

#### (d) Amendments to HKAS 16 and HKAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to HKAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 introduce a rebuttable presumption that revenue-based amortisation is not an appropriate basis for amortisation of an intangible asset. The amendments states that such a presumption can only be rebutted in the following two limited circumstances:

- when the intangible asset is expressed as a measure of revenue; or
- when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

With regard to the Group’s property, plant and equipment and intangible assets, the Group did not use revenue-based depreciation method and hence the amendments have not have any impact on the Group’s financial position and financial performance. Rather, the Group has been using the straight-line method for depreciation and amortisation for its property, plant and equipment, and intangible assets respectively.

### 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

#### (d) 香港會計準則第16號及香港會計準則第38號之修訂澄清可接納之折舊及攤銷方法

香港會計準則第16號之修訂禁止實體就物業、廠房及設備項目使用以收入為基礎的折舊方法。香港會計準則第38號之修訂引入可推翻之假設，即以收入為基礎的攤銷並非無形資產攤銷之合適基準。根據該等修訂，該等假設僅可於以下兩種有限情況被推翻：

- 當無形資產以計算收入之方式列賬時；或
- 當可證明收入與無形資產經濟利益的消耗存在高度關聯時。

就本集團的物業、廠房及設備以及無形資產，本集團並無使用以收入為基礎的折舊方法，故該等修訂對本集團的財務狀況及財務表現並無影響。本集團乃使用直線法計算其物業、廠房及設備以及無形資產個別的折舊與攤銷。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
截至二零一六年十二月三十一日止年度

### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

#### (e) Amendments to HKAS 16 and HKAS 41 Agriculture: Bearer Plants

The amendments define a bearer plant that is a living plant that:

- (a) is used in the production or supply of agricultural produce;
- (b) is expected to bear produce for more than one period; and
- (c) has a remote likelihood of being sold as agricultural produce except for incidental scrap sales.

The amendments require that biological assets that meet the definition of a bearer plant should be accounted for as property, plant and equipment in accordance with HKAS 16, instead of HKAS 41. The produce growing on bearer plants continues to be accounted for in accordance with HKAS 41.

The application of these amendments has had no impact on the Group’s consolidated financial statements as the Group is not engaged in agricultural activities.

### 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

#### (e) 香港會計準則第16號及香港會計準則第41號之修訂農業：生產性植物

該等修訂將生產性植物定義為符合以下條件的具生命之植物：

- (a) 用於農產品之生產或提供；
- (b) 預期生產農產品期間超過一期；及
- (c) 除偶然的廢料銷售外，作為農產品出售之可能性極低。

該等修訂規定，符合生產性植物定義的生物資產須按香港會計準則第16號而非香港會計準則第41號作為物業、廠房及設備入賬。生產性植物所種植出的產品繼續按香港會計準則第41號入賬。

由於本集團並無從事農業活動，故該等修訂的應用對本集團的綜合財務報表無影響。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

#### (f) Annual Improvements to HKFRSs 2012-2014 Cycle

The Annual Improvements to HKFRSs 2012-2014 Cycle include a number of amendments to various HKFRSs, which are summarized below.

Firstly, the amendments to HKFRS 5 introduce specific guidance for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa). The amendments clarify that such a change should be considered as a continuation of the original plan of disposal and hence requirements set out in HKFRS 5 regarding the change of sale plan do not apply.

Secondly, the amendments to HKFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets.

Thirdly, the amendments to HKAS 19 clarify that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The assessment of the depth of a market for high quality corporate bonds should be at the currency level (i.e. the same currency as the benefits are to be paid). For currencies for which there is no deep market in such high quality corporate bonds, the market yields at the end of the reporting period on government bonds denominated in that currency should be used instead. The Group did not have any defined benefit scheme.

The application of these amendments has had no effect on the Group's consolidated financial statements.

### 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

#### (f) 香港財務報告準則二零一二年至二零一四年週期之年度改進

香港財務報告準則二零一二年至二零一四年週期之年度改進包括對各項香港財務報告準則之若干修訂，概要如下：

第一，香港財務報告準則第5號之修訂引入了對實體將資產（或出售組別）從持作銷售重新分類為持作向擁有人分派（反之亦然）的具體指引。該等修訂澄清該變動應被視為原出售計劃之延續，故香港財務報告準則第5號有關變更出售計劃之規定並不適用。

第二，香港財務報告準則第7號之修訂提供額外指引，澄清就有關已轉讓資產所要求之披露而言，服務合約是否持續牽涉於已轉讓資產中。

第三，香港會計準則第19號之修訂澄清用於折現離職後福利責任之利率將參考於報告期末優質公司債券之市場收益率釐定。優質公司債券之市場深度應按貨幣層面（即與將予支付福利相同之貨幣）評估。就並無有關優質公司債券之活躍市場之貨幣而言，將採用以該貨幣計值之政府債券於報告期末之市場收益率。本集團並無任何界定福利計畫。

該等修訂的應用對本集團的綜合財務報表無影響。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments <sup>1</sup>
HKFRS 15 and amendments to HKFRS 15	Revenue from Contracts with Customers <sup>1</sup>
HKFRS 16	Leases <sup>2</sup>
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKAS 7	Disclosure Initiative <sup>4</sup>
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses <sup>4</sup>

- <sup>1</sup> Effective for annual periods beginning on or after 1 January 2018
- <sup>2</sup> Effective for annual periods beginning on or after 1 January 2019
- <sup>3</sup> Effective for annual periods beginning on or after a date to be determined
- <sup>4</sup> Effective for annual periods beginning on or after 1 January 2017

### 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

本集團並無提早應用以下已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

香港財務報告準則第9號	金融工具 <sup>1</sup>
香港財務報告準則第15號及香港財務報告準則第15號之修訂	客戶合約收入 <sup>1</sup>
香港財務報告準則第16號	租賃 <sup>2</sup>
香港財務報告準則第2號之修訂	以股份付款交易的分類及計量 <sup>1</sup>
香港財務報告準則第10號及香港會計準則第28號之修訂	投資者與其聯營公司或合營企業之間銷售或注入資產 <sup>3</sup>
香港會計準則第7號之修訂	披露計劃 <sup>4</sup>
香港會計準則第12號之修訂	就未變現虧損確認遞延稅項資產 <sup>4</sup>

- <sup>1</sup> 於二零一八年一月一日或之後開始之年度期間生效
- <sup>2</sup> 於二零一九年一月一日或之後開始之年度期間生效
- <sup>3</sup> 於待定日期或之後開始之年度期間生效
- <sup>4</sup> 於二零一七年一月一日或之後開始之年度期間生效

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
截至二零一六年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 "Inventories" or value in use in HKAS 36 "Impairment of assets".

### 3. 主要會計政策

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括聯交所證券上市規則及香港公司條例所規定之適用披露。

除若干金融工具按其於各申報期末的公平值計量外，綜合財務報表乃根據歷史成本基準編製。

歷史成本一般是基於就交換貨品所給予代價之公平值而釐定。

公平值為於計量日期市場參與者之間按有序交易出售一項資產將收取之價格或轉讓一項負債時將支付之價格，而不論該價格是否可直接觀察或使用另一項估值方法估計。於估計資產或負債之公平值時，本集團會考慮該等市場參與者於計量日期對資產或負債定價時所考慮之資產或負債之特點。於此等綜合財務報表中作計量及／或披露用途之公平值乃按此基準釐定，惟香港財務報告準則第2號範圍內之以股份為基礎付款交易、香港會計準則第17號範圍內之租賃交易，以及與公平值類似但並非公平值（例如香港會計準則第2號「存貨」之可變現淨值或香港會計準則第36號「資產減值」之使用價值）之計量除外。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
截至二零一六年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

### 3. 主要會計政策（續）

此外，就財務申報而言，公平值計量分為第一、第二或第三級別，該等級別之劃分乃根據公平值計量之輸入數據之可觀察程度及該等數據對公平值計量之整體重要性進行，該等級別載述如下：

- 第一級輸入數據指實體於計量日期就相同資產或負債於活躍市場上獲得之報價（未經調整）；
- 第二級輸入數據指就資產或負債直接或間接地可觀察之輸入數據（不包括第一級之報價）；及
- 第三級輸入數據指資產或負債之不可觀察輸入數據。

主要會計政策載列如下。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

### 3. 主要會計政策（續）

#### 綜合基準

綜合財務報表包括本公司以及本公司及其附屬公司所控制實體之財務報表。倘屬以下情況，則本公司取得控制權：

- 對被投資方行使權力；
- 因藉參與被投資方的業務而可獲得或有權獲得可變回報；及
- 有能力行使其權力而影響其回報。

倘事實及情況表明上文所列三項控制因素中有一項或多項改變，則本集團重新評估其是否控制被投資方。

本集團於獲得附屬公司控制權時將附屬公司綜合入賬，並於失去附屬公司控制權時終止入賬。具體而言，年內購入或出售之附屬公司之收入及開支自本集團獲得控制權當日起至本集團失去附屬公司控制權當日止計入綜合損益及其他全面收益表內。

附屬公司之財務報表於有需要情況下作出調整，以使其會計政策與本集團會計政策一致。

所有集團內公司間資產及負債、權益、收入、支出及現金流量（與本集團成員公司間之交易有關）均於綜合賬目時全數對銷。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 “Income taxes” and HKAS 19 “Employee benefits” respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 “Share-based payment” at the acquisition date (see the accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 “Non-current assets held for sale and discontinued operations” are measured in accordance with that standard.

### 3. 主要會計政策（續）

#### 業務合併

收購業務時採用收購會計處理法入賬。於業務合併中轉讓之代價以公平值計量，而公平值則按本集團為換取被收購方的控制權而轉讓的資產、所招致被收購方前擁有人的負債，以及本集團發行的股本權益於收購日的公平值之和計算。與收購相關之成本一般於發生時於損益中確認。

於收購日期，所收購之可識別資產及所承擔之負債按其公平值確認，惟以下情況除外：

- 遞延稅項資產或負債及與僱員福利安排相關之資產或負債乃分別根據香港會計準則第12號「所得稅」及香港會計準則第19號「僱員福利」確認及計量；
- 與所訂立被收購方以股份為基礎的付款安排或本集團以股份為基礎的付款安排替代被收購方以股份為基礎的付款安排之相關負債或權益工具，乃於收購當日根據香港財務報告準則第2號「以股份為基礎的付款」計量（見下文之會計政策）；及
- 按照香港財務報告準則第5號「持作銷售之非流動資產及已終止業務」分類為持作銷售資產（或出售組別）應按該準則予以計量。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Business combinations (continued)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or, when applicable, on the basis specified in another HKFRSs.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments made against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

### 3. 主要會計政策 (續)

#### 業務合併 (續)

商譽是按所轉撥之代價、非控股權益於被收購方中所佔金額及收購方以往持有被收購方股本權益之公平值(如有)之總和超出所收購之可識別資產及所承擔之負債於收購日期之淨額的部分計量。倘經過重估後,所收購之可識別資產與所承擔負債於收購日期之淨額高於所轉撥之代價、非控股權益於被收購方中所佔金額及收購方以往持有被收購方權益之公平值(如有)之總和,則差額即時於損益內確認為議價購入收益。

屬現時為擁有人權益並賦予其持有人於清盤時按比例分佔實體資產淨值的非控股權益可按公平值或按非控股權益按比例分佔之被收購方可辨識資產淨值的已確認金額初始計量。計量基準乃按逐項交易選擇。其他類型的非控股權益乃按其公平值或(倘適用)其他香港財務報告準則所指明的基準計量。

倘本集團於業務合併中轉撥之代價包括或然代價安排產生之資產或負債,則或然代價按其於收購日期之公平值計量,並計入於業務合併轉撥之代價之一部分。符合資格為計量期間調整之或然代價公平值變動將予追溯調整,並就商譽作出相應調整。計量期間調整為於「計量期間」(不可超過自收購日期起計一年)取得有關於收購日期已存在之事實及情況之額外資料所產生之調整。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Business combinations (continued)

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with HKAS 39, or HKAS 37 “Provisions, contingent liabilities and contingent assets”, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Contingent consideration that will be settled other than by the delivery of a fixed number of the Company's own equity instruments is accounted for as a financial liability.

#### Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

### 3. 主要會計政策（續）

#### 業務合併（續）

不合資格為計量期間調整之或然代價公平值變動之後續會計處理取決於如何將或然代價分類。分類為權益之或然代價不會於後續報告日期重新計量，其後續結算乃於權益內入賬。分類為資產或負債之或然代價會根據香港會計準則第39號或香港會計準則第37號「撥備、或然負債及或然資產」（按適用者）於後續報告日期重新計量，而相應之盈虧乃於損益內確認。

並非通過交付固定數量之本公司自有權益工具結算的或然代價乃作為金融負債列賬。

#### 商譽

收購一項業務產生之商譽乃按於業務收購日期所確立之成本（見上文會計政策）減累計減值虧損（如有）列賬。

就減值測試而言，商譽乃分配至預期從合併之協同效應中獲利之本集團各現金產生單位（或現金產生單位組別）。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Goodwill (continued)

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

#### Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably as follows:

#### *Sale of goods*

Revenue from sales of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;

### 3. 主要會計政策 (續)

#### 商譽 (續)

已獲分配商譽之現金產生單位每年或當有跡象顯示單位可能出現減值時更頻繁測試減值。如現金產生單位之可收回金額少於其賬面值，減值虧損首先分配以減少該單位獲分配之任何商譽之賬面值，其後以單位各資產之賬面值為基準按比例分配至該單位之其他資產。商譽之任何減值虧損直接於損益中確認。就商譽確認之減值虧損於後續期間不予撥回。

於出售有關現金產生單位時，商譽之應佔金額乃計入釐定出售損益金額內。

#### 收入確認

收入按已收取或應收取代價公平值計算，前提是經濟利益可能流入本集團，而收入及成本（如適用）可根據下列各項可靠地計算：

#### *銷售貨品*

銷售貨品之收入乃在貨品交付及貨品擁有權已轉移，並符合下列所有條件時予以確認：

- 本集團已向買家轉讓貨品擁有權之重大風險及回報；
- 本集團不再繼續涉及某程度上一般與擁有權相關之管理，而對已出售貨品亦無實質控制權；
- 收入金額能可靠地計量；

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Revenue recognition (continued)

##### *Sale of goods (continued)*

- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### *Interest income*

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

#### Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purpose, are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

### 3. 主要會計政策 (續)

#### 收入確認 (續)

##### *銷售貨品 (續)*

- 與交易相關之經濟利益有可能會流入本集團；及
- 就交易產生或將產生之成本能夠可靠地計量。

##### *利息收入*

當經濟利益有可能流入本集團而收入金額能可靠地計量時，則會確認來自金融資產之利息收入。利息收入乃按時間基準參考未償還之本金及適用實際利率累計，實際利率指於金融資產之預期年期內將估計未來所收現金確實折現至於初始確認時之資產賬面淨值之利率。

#### 物業、廠房及設備

物業、廠房及設備（包括持作用於生產或供應貨品或服務或作行政用途之樓宇）乃按成本減其後累計折舊及累計減值虧損（如有）於綜合財務狀況表列賬。

折舊乃按可使用年期採用直線法確認，以撇銷資產成本並扣減其剩餘價值。估計可使用年期、剩餘價值和折舊方法會於每個申報期末作檢討，並採用未來適用法對任何估計變動之影響入賬處理。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
截至二零一六年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

#### Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

### 3. 主要會計政策 (續)

#### 物業、廠房及設備 (續)

物業、廠房及設備項目於出售後或當預期持續使用該資產將不會產生未來經濟利益時終止確認。出售或報廢物業、廠房及設備項目所產生之任何收益或虧損乃根據銷售所得款項與資產賬面值之間的差額釐定，並於損益中確認。

#### 業務合併中收購的無形資產

業務合併中收購並與商譽分開確認的無形資產初步按其於收購日期的公平值確認 (被視作其成本)。

初步確認後，業務合併中收購的具有有限使用年期的無形資產根據與另外已收購無形資產相同的基準，按成本減累計攤銷及任何累計減值虧損申報。具有有限的可使用年期之無形資產攤銷於其估計使用年期內按直線法確認。

無形資產於出售時或預期使用或出售不會帶來未來經濟利益時取消確認。取消確認無形資產產生的收益及虧損以出售所得款項淨額與資產的賬面值之間的差額計量，並在資產取消確認時於損益確認。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### *The Group as lessee*

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

#### *Leasehold land and building*

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

### 3. 主要會計政策 (續)

#### 租賃

每當租賃條款將所有權的絕大部份風險及回報轉讓予承租人，則租賃會被分類為融資租賃。所有其他租賃均被分類為經營租賃。

#### *本集團為承租人*

經營租賃付款按有關租期以直線法確認為開支，除非另有系統化基準更能代表租賃資產所耗用經濟利益之時間模式則除外。

倘若獲取租賃優惠以達成經營租賃，則有關優惠被確認為負債。優惠的合計利益以直線法確認為租賃開支之扣減。

#### *租賃土地及樓宇*

倘租約包括土地及樓宇部份，則本集團根據對各部份的擁有權所附帶之絕大部份風險及回報是否已轉讓予本集團之評估，獨立將各部份分類評估為融資或經營租賃，惟明顯兩個部份均為經營租賃則除外，而在此情況下，整份租約分類為經營租賃。具體而言，最低租賃付款（包括任何一次過預付款項）乃按土地部份及樓宇部份於租約開始時的租賃權益相對公平值比例於土地及樓宇部份之間分配。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Leasing (continued)

##### *Leasehold land and building (continued)*

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “prepaid lease payments” in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

#### Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

#### Retirement benefits costs

Payments to state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

### 3. 主要會計政策 (續)

#### 租賃 (續)

##### *租賃土地及樓宇 (續)*

倘能可靠分配租賃款項，作為經營租賃入賬之租賃土地權益於綜合財務狀況表內列為「預付租賃款項」，並按直線法於租賃期內攤銷。當租賃付款不能可靠地在土地及樓宇部份之間分配時，整份租約一般分類為融資租賃，並作為物業、廠房及設備入賬。

#### 外幣

在編製各獨立集團實體的財務報表時，以該實體功能貨幣以外的貨幣（外幣）所進行的交易按交易當日的匯率確認。於申報期末，以外幣計值的貨幣項目按當日的匯率重新換算。以外幣計值之過往成本計算之非貨幣項目不予重新換算。

貨幣項目所產生之匯兌差額於其產生期間在損益內確認。

#### 退休福利成本

向國家管理的退休福利計劃及強制性公積金計劃所作出的付款於僱員已提供服務而有權獲得供款時確認為開支。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from “profit before tax” as reported in the consolidated statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group’s current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

### 3. 主要會計政策 (續)

#### 稅項

所得稅開支指應付即期稅項及遞延稅項之總和。

#### 即期稅項

現時應付稅項乃按年內應課稅溢利得出。應課稅溢利有別於綜合損益及其他全面收益表中所報的「除稅前溢利」，乃由於在其他年度應課稅收入或可扣稅開支以及從未課稅或扣稅之項目所致。本集團即期稅項乃按申報期末已頒佈或已實際頒佈之稅率計算。

#### 遞延稅項

遞延稅項乃就綜合財務報表內的資產及負債賬面值與計算應課稅溢利所採用相應稅基之間的暫時差額而確認。遞延稅項負債通常會就所有應課稅暫時差額確認。遞延稅項資產一般於可能有應課稅溢利可用於對銷可扣減暫時差額時就所有可扣減暫時差額確認。倘因交易時首次確認資產及負債而引致之暫時差額並不影響應課稅溢利或會計溢利，則不會確認該等遞延稅項資產及負債。此外，倘暫時差額乃於初步確認商譽時產生，則不確認遞延稅項負債。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Taxation (continued)

##### *Deferred tax (continued)*

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

##### *Current and deferred tax for the year*

Current and deferred tax are recognised in profit or loss. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

### 3. 主要會計政策 (續)

#### 稅項 (續)

##### *遞延稅項 (續)*

遞延稅項負債乃就附屬公司投資之相關應課稅暫時差額而確認，惟若本集團能夠控制暫時差額轉回及暫時差額有可能未必於可見將來轉回之情況除外。與該等投資相關之可扣減暫時差額所產生之遞延稅項資產僅於可能有足夠應課稅溢利可以使用暫時差額之利益且預期於可見將來可以撥回時確認。

遞延稅項資產之賬面值於申報期末作檢討，並在再無可能會有足夠應課稅溢利用於收回全部或部份資產時作調減。

遞延稅項資產及負債乃按償還負債或變現資產之期間內預期適用之稅率，根據申報期末已實施或實際實施之稅率（及稅法）計算。

遞延稅項負債及資產之計量反映按照本集團預期於申報期末收回或結算其資產及負債之賬面值所依照之方式得出之稅務結果。

##### *本年度即期及遞延稅項*

即期及遞延稅項乃於損益中確認。倘即期稅項或遞延稅項乃於業務合併之初始會計處理時產生，稅務影響則會計入業務合併之會計處理內。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are calculated using the weighted-average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

#### Research and development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

### 3. 主要會計政策（續）

#### 存貨

存貨乃按成本及可變現淨值兩者中之較低值列值。存貨成本乃按加權平均法計算。可變現淨值指存貨之估計售價減所有完成所需估計成本及進行銷售所需成本。

#### 研發成本

研究活動的開支在產生期間確認為支出。

開發活動（或內部項目開發階段）的內部產生無形資產倘及僅於以下所有各項全部均得到證明時確認：

- 完成該無形資產的技術可行性，從而使其可予使用或銷售；
- 完成及使用或出售該無形資產的意圖；
- 使用或出售該無形資產的能力；
- 該無形資產將產生未來經濟利益的方式；
- 具有充足的技術、財務及其他資源以完成開發及使用或出售該無形資產；及
- 能可靠地計量無形資產於其開發期間應佔的開支。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Research and development costs (continued)

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

#### Impairment of tangible and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

### 3. 主要會計政策 (續)

#### 研發成本 (續)

內部產生無形資產的初步確認金額乃無形資產首次符合上列確認準則之日起產生的開支總額。如並無內部產生無形資產可予確認，開發開支則在其產生期間內於損益中確認。

初步確認後，內部產生無形資產將按成本減累計攤銷及累計減值虧損呈報，其基準與獨立收購的無形資產相同。

#### 商譽以外之有形及無形資產減值

於申報期末，本集團審閱其有形資產及無形資產之賬面值，以釐定該等資產是否有任何蒙受減值虧損之跡象。倘出現任何該等跡象，將作出資產之可收回金額估計，以釐定減值虧損（如有）程度。當不可能估計個別資產之可收回金額時，本集團會估計該資產所屬現金產生單位之可收回金額。倘可識別合理及穩定的分配基準，則企業資產亦分配至個別現金產生單位，或另行分配至可識別合理及穩定的分配基準之最小組別之現金產生單位。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Impairment of tangible and intangible assets other than goodwill (continued)

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### 3. 主要會計政策 (續)

#### 商譽以外之有形及無形資產減值 (續)

可收回金額為公平值減出售成本與使用價值兩者之較高者。於評估使用價值時，乃使用可反映現時市場對貨幣時間值的評估及該資產特有之風險（未來現金流量之估計並無就此作調整）之稅前折現率，將估計未來現金流量折現至其現值。

倘一項資產（或現金產生單位）之可收回金額估計少於其賬面值，該資產（或現金產生單位）之賬面值將減少至其可收回金額。減值虧損即時於損益中確認。

倘減值虧損於其後撥回，該資產（或現金產生單位）之賬面值將增加至其經修訂估計可收回金額，但因此增加的賬面值不會超逾資產（或現金產生單位）於過往年度如無確認減值虧損下原應釐定之賬面值。撥回減值虧損即時於損益中確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

#### Financial assets

The Group's financial assets are loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

#### Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments.

### 3. 主要會計政策 (續)

#### 金融工具

當集團實體成為工具合約條款的一方時，會確認金融資產及金融負債。

金融資產及金融負債初步按公平值計量。收購或發行金融資產及金融負債直接應佔的交易成本於初步確認時加入金融資產或金融負債的公平值或從當中扣減（按適用者）。

#### 金融資產

本集團之金融資產為貸款及應收款項。分類視乎金融資產之性質及目的而定，並於初步確認時釐定。

#### 實際利率法

實際利率法乃計算債務工具之經攤銷成本以及分攤有關期間之利息收入之方法。實際利率乃按債務工具之預期年期或適用之較短期間內確實折現估計未來現金收款（包括構成實際利率不可或缺部份已付或已收之一切費用、交易成本及其他溢價或折讓）至初始確認時之賬面淨值之利率。

收入乃按債務工具實際利率基準確認。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

##### Financial assets (continued)

##### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade receivables, bills receivables, loan receivables, other receivables, restricted bank deposits and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

##### Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investments have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

### 3. 主要會計政策 (續)

#### 金融工具 (續)

##### 金融資產 (續)

##### 貸款及應收款項

貸款及應收款項乃並無活躍市場報價之定額或待定付款之非衍生金融資產。貸款及應收款項(包括貿易應收款項、應收票據、應收貸款、其他應收款項、受限制銀行存款以及銀行結餘及現金)以實際利率法按攤銷成本減任何減值計量。

利息收入乃使用實際利率確認，惟確認利息影響不大的短期應收款項則除外。

##### 金融資產減值

金融資產乃於各申報期末評估有否減值跡象。倘有客觀證據顯示因在初始確認金融資產後出現一件或多件事件而影響投資的估計未來現金流量，則金融資產會被視為出現減值。

客觀減值證據可包括：

- 發行人或交易對手出現重大財政困難；或
- 違反合約，例如未能繳付或延遲償還利息或本金；或
- 借款人有可能面臨破產或財務重組。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

#### *Financial assets (continued)*

#### Impairment of financial assets (continued)

For certain categories of financial assets, such as trade and bills receivables and loan receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets that are carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and bills receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

### 3. 主要會計政策 (續)

#### 金融工具 (續)

#### 金融資產 (續)

#### 金融資產減值 (續)

就若干類別之金融資產(如貿易應收款項及應收票據以及應收貸款)而言,即使被評估為不會個別減值,有關資產亦會彙集一併評估減值。應收款項組合出現減值之客觀證據可包括本集團過往收款記錄以及國家或地方經濟狀況出現與應收款項未能償還相關的可觀察變動。

就按攤銷成本列賬之金融資產而言,減值虧損之金額按該項資產之賬面值與估計未來現金流量按金融資產的原實際利率折現之現值之差額確認。

除貿易應收款項及應收票據之賬面值減少會透過準備金賬目扣減外,所有金融資產之賬面值減少乃直接經由減值虧損計算。當一項應收款項被視為不可收回時,將從準備金賬目上予以撇銷。日後收回以往撇銷之款項則計入準備金賬目。準備金賬目之賬面值變化於損益內確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

##### *Financial assets (continued)*

##### Impairment of financial assets (continued)

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

##### *Financial liabilities and equity instruments*

##### Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

##### Financial liabilities

Financial liabilities including trade and bills payables, other payables and bank borrowing are subsequently measured at amortised cost using the effective interest method.

### 3. 主要會計政策 (續)

#### 金融工具 (續)

##### 金融資產 (續)

##### 金融資產減值 (續)

就按攤銷成本計量之金融資產而言，倘若在往後期間，減值虧損金額減少且此減少可客觀聯繫到一項發生在減值確認後之事件，則之前確認之減值虧損將透過損益撥回，但減值撥回當日之投資賬面值不應超過假若減值不曾被確認下的已攤銷成本。

##### 金融負債及股本工具

##### 分類為債務或權益

由集團實體發行之債務及股本工具按所訂立之合約安排性質，以及金融負債及股本工具之定義而分類為金融負債或權益。

##### 股本工具

股本工具為有證據顯示本集團於資產中扣減所有負債後有剩餘資產權益之任何合約。本公司發行之股本工具按所收取所得款項扣除直接發行成本確認。

##### 金融負債

金融負債包括貿易應付款項及應付票據、其他應付款項及銀行借貸，其後以實際利率法按攤銷成本計量。

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## 綜合財務報表附註

For the year ended 31 December 2016  
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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

##### *Financial liabilities and equity instruments (continued)*

##### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premium or discounts) through the expected life of the financial liability, or, (where appropriate), a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

##### *Derecognition*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

### 3. 主要會計政策 (續)

#### 金融工具 (續)

##### 金融負債及股本工具 (續)

##### 實際利率法

實際利率法乃計算金融負債之攤銷成本及於相關期間分攤利息開支之方法。實際利率指按金融負債之預期年期或(如適用)較短期間內實際折現估計未來現金付款(包括組成實際利率不可缺少部份已付或已收之一切費用、交易成本及其他溢價或折讓)至初始確認時的賬面淨值之利率。

利息開支按實際利率法確認。

##### 終止確認

本集團僅於從金融資產收取現金流量的合約權利到期，或轉讓金融資產及該資產所有權的絕大部份風險及回報予另一實體時終止確認金融資產。倘本集團並無轉讓或保留所有權的絕大部份風險及回報並繼續控制所轉讓資產，則本集團繼續確認其在資產中的保留權益，並確認相關負債。倘本集團保留所轉讓金融資產所有權的絕大部份風險及回報，則本集團繼續確認該金融資產，亦就已收取的所得款項確認有抵押借貸。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

##### *Derecognition (continued)*

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

##### *Equity-settled share-based payment transactions*

For grants of share options that are conditional upon satisfying specified vesting conditions, the fair value of services received is determined by reference to the fair value of share options granted at the date of grant and is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained profits.

### 3. 主要會計政策 (續)

#### 金融工具 (續)

##### *終止確認 (續)*

於終止確認全部金融資產時，該項資產賬面值與已收及應收代價及經已在其他全面收益中確認並在權益中累計的累積損益總和之間的差額於損益內確認。

只有當本集團之責任獲解除、取消或到期時，方會終止確認金融負債。已終止確認金融負債的賬面值與已付及應付代價之間的差額於損益中確認。

##### *股本結算以股份為基礎付款交易*

就須滿足特定歸屬條件方可授予之購股權而言，所獲服務之公平值乃參考所授購股權於授出日期之公平值釐定，並在歸屬期間以直線法列作開支，並於權益（購股權儲備）作出相應增加。

本集團於申報期末修改其對預期最終將歸屬的購股權數目之估計。修改原先估計之影響（如有）於損益確認，致使累計開支反映經修訂之估計，並對購股權儲備作出相應調整。

於購股權獲行使時，過往在購股權儲備確認的金額將轉撥至股份溢價。當購股權於歸屬日期後被沒收或於屆滿日期仍未行使時，過往在購股權儲備確認的金額將轉撥至保留溢利。

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## 綜合財務報表附註

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#### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

##### Useful lives of property, plant and equipment

In applying the accounting policy on property, plant and equipment with respect to depreciation, management estimates the useful lives of various categories of property, plant and equipment according to the industrial experiences over the usage of property, plant and equipment and also by reference to the relevant industrial norm. If the actual useful lives of property, plant and equipment are less than the original estimated useful lives due to changes in commercial and technological environment, such difference will impact the depreciation charge for the remaining periods.

#### 4. 估計涉及不確定性之主要來源

於應用附註3所述的本集團會計政策時，本公司董事須對無法從其他渠道確認的資產及負債賬面值作出判斷、估計及假設。該等估計及相關假設乃基於過往經驗及其他視作相關的因素作出。實際結果或會有別於該等估計。

本公司持續檢討該等估計及相關假設。倘就會計估計作出的修訂只影響修訂估計之期間，則有關修訂會在該期間確認；倘有關修訂影響即期及未來期間，則有關修訂會在修訂期間及未來期間確認。

以下為於申報期末所作出有關未來的主要假設及估計不確定因素之其他主要來源，並具有相當風險而可能導致須於下一個財政年度就資產及負債的賬面值作出重大調整。

##### 物業、廠房及設備的可使用年期

於應用有關物業、廠房及設備折舊的會計政策時，管理層乃根據物業、廠房及設備用途之行業經驗並參考有關行業規範來估計各類物業、廠房及設備之可使用年期。倘物業、廠房及設備的實際可使用年期因商業及技術環境改變以致少於原本估計之可使用年期，則有關差額將影響餘下期間之折舊開支。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
截至二零一六年十二月三十一日止年度

### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

#### Estimated impairment of trade receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise.

#### Impairment of non-financial assets (other than goodwill)

The Group assesses each cash-generating unit annually to determine whether any indication of impairment exists. When an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs of disposal and value in use. The carrying amount of the property, plant and equipment, intangible assets, prepaid lease payments are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable in accordance with the accounting policy as disclosed in the relevant part of this section. Estimating the value in use requires the Group to estimate future cash flows from the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

### 4. 估計涉及不確定性之主要來源 (續)

#### 貿易應收款項的估計減值

倘出現減值虧損的客觀證據，則本集團會考慮對未來現金流量之估計。減值虧損數額乃按資產賬面值與估計未來現金流量（不包括尚未發生之未來信貸虧損）按金融資產之原實際利率（即初始確認時用於計算之實際利率）折現的現值間之差額計算。倘實際的未來現金流量低於預期，則可能會出現重大減值虧損。

#### 非金融資產（商譽除外）之減值

本集團每年評估各現金產生單位，以釐定是否有任何減值存在的跡象。倘存在減值跡象，則會作出可收回金額的正式估計，即被視為公平值減出售成本與使用價值的較高者。物業、廠房及設備、無形資產、預付租賃款項的賬面值會於有事件或情況變動顯示賬面值可能不能根據本節有關部分所披露的會計政策予以收回時檢討減值。估計使用價值要求本集團估計來自現金產生單位的未來現金流量以及選擇適當的折現率以計算該等現金流量的現值。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
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#### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

##### Estimated allowance of inventories

The Group makes allowance for inventories based on an assessment of the net realisable value of inventories. Allowances are applied to inventories where events or changes in circumstances indicate that the net realisable value is lower than the cost of inventories. The identification of obsolete inventories requires the use of judgment and estimates on the conditions and marketability of the inventories. Where the subsequent selling prices decline or increase in costs of completion and those necessary to make the sales, additional allowance may arise.

##### Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate present value.

#### 4. 估計涉及不確定性之主要來源 (續)

##### 估計存貨撥備

本集團根據對存貨可變現淨值的評估就存貨作出撥備。倘有事件或情況變動顯示可變現淨值低於存貨成本，即對存貨作出撥備。識別陳舊存貨須使用對存貨的狀況及可銷售性所作出的判斷及估計。倘其後售價下降或完成成本及作出銷售所需成本有所增加，則可能產生額外撥備。

##### 商譽減值

釐定商譽是否減值須估計獲分配商譽之現金產生單位使用價值。計算使用價值時，管理層須估計預期可自現金產生單位產生之未來現金流量及適當折現率，從而計算現值。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
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### 5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to owners of the Company, comprising share capital, reserves and retained profits.

The directors of the Company review the capital structure on a continuous basis taking into account the cost of capital and the risks associate with the capital. The Group will balance its overall capital structure through payment of dividends, new share issues as well as the issue of new debt, if necessary.

### 6. FINANCIAL INSTRUMENTS

#### (a) Categories of financial instruments

#### Financial assets

Loans and receivables (including cash and cash equivalents)

#### Financial liabilities

Amortised cost

#### 金融資產

貸款及應收款項(包括現金及現金等值物)

#### 金融負債

攤銷成本

### 5. 資本風險管理

本集團之資本管理旨在確保本集團內實體均可持續經營，同時透過優化債務及權益之平衡，盡量為股東帶來最大回報。本集團之整體策略與往年一樣保持不變。

本集團的資本結構包括現金及現金等值物與本公司擁有人應佔權益(包括股本、儲備及保留溢利)。

本公司董事持續檢討資本結構，當中涉及考慮資本成本及與資本相關之風險。如有必要，本集團將透過支付股息、發行新股份以及發行新債務，以平衡其整體資本結構。

### 6. 金融工具

#### (a) 金融工具之類別

2016 二零一六年	2015 二零一五年
RMB'000 人民幣千元	RMB'000 人民幣千元
<b>472,979</b>	370,291
<b>335,013</b>	279,903

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
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### 6. FINANCIAL INSTRUMENTS (continued)

#### (b) Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, loan receivables, bills receivables, other receivables, restricted bank deposits, bank balances and cash, trade and bill payables, other payables, promissory notes and bank borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

##### *Market risk*

##### Currency risk

Certain transactions of the Group are denominated in Hong Kong dollars ("HKD"), Euro dollars ("EUR") and US dollars ("USD") which are other than the functional currency of the relevant group entities (i.e. RMB), which expose the Group to foreign currency risk. The Group does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

### 6. 金融工具 (續)

#### (b) 金融風險管理之目的及政策

本集團的主要金融工具包括貿易應收款項、應收貸款、應收票據、其他應收款項、受限制銀行存款、銀行結餘及現金、貿易應付款項及應付票據、其他應付款項、承兌票據及銀行借貸。此等金融工具之詳情於各自之附註披露。此等金融工具所附帶之風險包括市場風險(貨幣風險及利率風險)、信貸風險及流動資金風險。有關如何減低此等風險之政策載列如下。管理層確保適時及有效地採取適當措施以管理及監控此等風險。

##### 市場風險

##### 貨幣風險

本集團若干交易以港元(「港元」)、歐元(「歐元」)及美元(「美元」)計值，而港元、歐元及美元為有關集團實體的功能貨幣(即人民幣)以外的貨幣，令本集團面對外幣風險。本集團並無外幣對沖政策。然而，管理層監控外匯風險，並於有需要時考慮對沖重大外幣風險。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
截至二零一六年十二月三十一日止年度

### 6. FINANCIAL INSTRUMENTS (continued)

#### (b) Financial risk management objectives and policies (continued)

*Market risk (continued)*

Currency risk (continued)

The carrying amounts of the Group's foreign currency denominated financial assets and liabilities at the end of the reporting period are as follows:

		Assets 資產		Liabilities 負債	
		2016 二零一六年	2015 二零一五年	2016 二零一六年	2015 二零一五年
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
HKD	港元	279,835	136,336	283,603	226,496
EUR	歐元	283	–	–	–
USD	美元	45	9	–	–

The financial assets subject to foreign currency risk represent the bank balances denominated in HKD and USD, trade receivables, loan receivables and other receivables, denominated in HKD held by the Group.

The financial liabilities subject to foreign currency risk represent the trade payables, other payables, promissory notes and bank borrowings denominated in HKD held by the Group.

### 6. 金融工具 (續)

#### (b) 金融風險管理之目的及政策 (續)

*市場風險 (續)*

貨幣風險 (續)

本集團於申報期末以外幣計值之金融資產及金融負債之賬面值如下：

面對外幣風險的金融資產指本集團持有並以港元及美元計值的銀行結餘，以及以港元計值的貿易應收款項、應收貸款及其他應收款項。

面對外幣風險的金融負債指本集團持有並以港元計值的貿易應付款項、其他應付款項、承兌票據及銀行借貸。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
截至二零一六年十二月三十一日止年度

### 6. FINANCIAL INSTRUMENTS (continued)

#### (b) Financial risk management objectives and policies (continued)

##### Market risk (continued)

##### Currency risk (continued)

The following table details the Group's sensitivity to a 5% appreciation or depreciation of the HKD, EUR and USD against RMB. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rate. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rate. A (negative)/positive number indicates an increase/decrease in post-tax loss for the year where HKD, EUR and USD strengthens 5% against the RMB. For a 5% weakening of HKD, EUR and USD against RMB, there would be an equal but opposite impact on the post-tax loss for the year.

HKD	港元
USD	美元

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

### 6. 金融工具 (續)

#### (b) 金融風險管理之目的及政策 (續)

##### 市場風險 (續)

##### 貨幣風險 (續)

下表詳列本集團對於港元、歐元及美元兌人民幣升值或貶值5%之敏感度。5%是在內部向主要管理人員匯報外幣風險時所使用之敏感比率，是管理層所評估的外幣匯率的可能變動。敏感度分析僅包括仍有效的以外幣計值的貨幣項目，並於申報期末就5%之外幣匯率變動調整其換算。(負數)/正數顯示當港元、歐元及美元兌人民幣升值5%時之年內除稅後虧損增加/減少。當港元、歐元及美元兌人民幣貶值5%時，將對年內除稅後虧損有對等但相反之影響。

2016 二零一六年	2015 二零一五年
RMB'000 人民幣千元	RMB'000 人民幣千元
(3,768)	(4,508)
-	1

管理層認為，敏感度分析並不代表內在外匯風險，因為年末時承受的風險並不反映年內面對的風險。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
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### 6. FINANCIAL INSTRUMENTS (continued)

#### (b) Financial risk management objectives and policies (continued)

##### *Credit risk (continued)*

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

At 31 December 2016, the Group has concentration of credit risk as 15% (2015: 13%) and 49% (2015: 29%) of the total trade receivables which was due from the Group's largest customer and the five largest customers, respectively. At 31 December 2016, the Group has concentration of credit risk as 45% (2015: 28%) and 84% (2015: 74%) of the total loan receivables, which was due from the Group's largest borrower and the five largest borrowers, respectively.

### 6. 金融工具 (續)

#### (b) 金融風險管理之目的及政策 (續)

##### *信貸風險 (續)*

由於對手方乃多家獲國際評級機構授予高度信貸評級的銀行，故流動資金之信貸風險屬有限。

於二零一六年十二月三十一日，由於貿易應收款項總額之15% (二零一五年：13%) 及49% (二零一五年：29%) 分別來自本集團之最大客戶及五大客戶，因此本集團有集中信貸風險。於二零一六年十二月三十一日，由於應收貸款總額之45% (二零一五年：28%) 及84% (二零一五年：74%) 分別來自本集團之最大借貸人及五大借貸人，因此本集團有集中信貸風險。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
截至二零一六年十二月三十一日止年度

### 6. FINANCIAL INSTRUMENTS (continued)

#### (b) Financial risk management objectives and policies (continued)

##### Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

### 6. 金融工具 (續)

#### (b) 金融風險管理之目的及政策 (續)

##### 流動資金風險

就管理流動資金風險而言，本集團監察及維持管理層認為足夠撥付本集團營運之現金及現金等值物水平，以及減低現金流量波動的影響。

下表詳列本集團之非衍生金融負債之餘下合約到期日。下表根據本集團須作出付款之最早日期之金融負債未貼現現金流量編製。

		Weighted average effective interest rate 加權平均 實際利率	On demand or less than 3 months 按要求或 少於3個月	Within 1 year 1年內	More than 1 year but less than 5 years 超過1年 但少於5年	Total undiscounted cash flows 未貼現 現金流量總額	Carrying amounts 賬面值
		%	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>As at 31 December 2016</b>	<b>於二零一六年 十二月三十一日</b>						
Trade payables	貿易應付款項	-	50,949	-	-	50,949	50,949
Other payables	其他應付款項	-	11,271	-	-	11,271	11,271
Bank and other borrowings	銀行及其他借貸	4.9	-	87,497	-	87,497	84,462
Promissory notes	承兌票據	2	-	-	202,733	202,733	195,730
			<b>62,220</b>	<b>87,497</b>	<b>202,733</b>	<b>352,450</b>	<b>342,412</b>
<b>As at 31 December 2015</b>	<b>於二零一五年 十二月三十一日</b>						
Trade payables	貿易應付款項	-	40,369	-	-	40,369	40,369
Other payables	其他應付款項	-	11,436	-	-	11,436	11,436
Bank borrowing	銀行借貸	6.4	-	21,655	-	21,655	20,361
Promissory notes	承兌票據	3.0	-	-	257,124	257,124	207,737
			<b>51,805</b>	<b>21,655</b>	<b>257,124</b>	<b>330,584</b>	<b>279,903</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
截至二零一六年十二月三十一日止年度

### 6. FINANCIAL INSTRUMENTS (continued)

#### (c) Fair values measurements of financial instruments

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

### 7. REVENUE

An analysis of revenue is as follows:

Revenue from sales of goods	來自銷售貨品的收入
Revenue from money lending business	來自放債業務的收入

### 8. OPERATING SEGMENTS

HKFRS 8 “Operating segments” requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the executive directors) (“CODM”) in order to allocate resources to segments and to assess their performance.

### 6. 金融工具 (續)

#### (c) 金融工具之公平值計量

董事認為於綜合財務報表內確認之金融資產及金融負債之賬面值與其公平值相若。

### 7. 收入

收入的分析如下：

2016 二零一六年	2015 二零一五年
RMB'000 人民幣千元	RMB'000 人民幣千元
345,303	283,610
12,537	5,332
<b>357,840</b>	<b>288,942</b>

### 8. 經營分部

香港財務報告準則第8號「經營分部」要求，確認經營分部必須依從本集團個別實體之內部呈報分類作為基準；該等內部呈報分類乃定期由主要營運決策者（執行董事）（「主要營運決策者」）審視，以對各分部進行資源分配及表現評估。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
截至二零一六年十二月三十一日止年度

### 8. OPERATING SEGMENTS (continued)

The Group's operating activities are attributable to four operating segments focusing on (i) the manufacture and sale of advanced steel flow control products; (ii) the manufacture and sale of paper converting equipment and other relating equipment, (iii) money lending; and (iv) e-commerce. These operating segments have been identified on the basis of internal management reports prepared in accordance with accounting policies which conform to HKFRSs, that are regularly reviewed by the CODM.

The following is an analysis of the Group's revenue and results by reportable and operating segments:

#### Segment revenue and results

For the year ended 31 December 2016

### 8. 經營分部 (續)

本集團之經營活動屬於四個經營分部，專注於(i)製造及銷售高端鋼水控流產品；(ii)製造及銷售紙張加工設備及其他相關設備；(iii)放債及；(iv)電子商務。該等經營分部乃基於符合香港財務報告準則之會計政策所編製之內部管理報告而識別，並由主要營運決策者定期檢討。

按可呈報及經營分部劃分的本集團收入及業績分析如下：

#### 分部收入及業績

截至二零一六年十二月三十一日止年度

		Manufacture and sale of advanced steel flow control products	Manufacture and sale of paper converting equipment and other relating equipment	Money lending	E-Commerce	Consolidated
		製造及銷售 高端鋼水 控流產品	製造及銷售 紙張加工設備 及其他 相關設備	放債	電子商務	綜合
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Revenue	收入	149,795	34,410	12,537	161,098	357,840
Gross profit/(loss)	毛利/(毛損)	(18,968)	5,925	11,108	19,040	17,105
Segment profit/(loss)	分部溢利/(虧損)	(72,802)	(2,847)	9,053	(28,331)	(94,927)
Unallocated corporate income	未分配公司收入					616
Staff costs (including retirement benefit scheme contributions)	員工成本(包括退休福利計劃供款)					(1,868)
Unallocated corporate expenses	未分配公司開支					(45,812)
Loss before taxation	除稅前虧損					(141,991)

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
截至二零一六年十二月三十一日止年度

### 8. OPERATING SEGMENTS (continued)

### 8. 經營分部 (續)

#### Segment revenue and results (continued)

#### 分部收入及業績 (續)

For the year ended 31 December 2015

截至二零一五年十二月三十一日止年度

		Manufacture and sale of advanced steel flow control products	Manufacture and sale of paper converting equipment and other relating equipment	Money lending	E-Commerce	Consolidated
		製造及銷售 製造及銷售 高端鋼水 控流產品	紙張加工設備 及其他 相關設備	放債	電子商務	綜合
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Revenue	收入	231,696	25,069	5,332	26,845	288,942
Gross profit/(loss)	毛利/(毛損)	(37,272)	2,391	3,805	4,531	(26,545)
Segment loss	分部虧損	(165,621)	(55,422)	(35,596)	(2,494)	(259,133)
Unallocated corporate income	未分配公司收入					1
Staff costs (including retirement benefit scheme contributions)	員工成本 (包括退休福利計劃供款)					(1,954)
Operating lease rentals	經營租賃租金					(122)
Unallocated corporate expenses	未分配公司開支					(17,678)
Loss before taxation	除稅前虧損					(278,886)

Segment loss represents the loss incurred by each segment include depreciation, amortisation and impairment, but without allocation of certain administration costs and other income. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

分部虧損指各分部產生的虧損 (包括折舊、攤銷及減值)，但並無分配若干行政成本及其他收入。此乃就資源分配及表現評估而向主要營運決策者報告的方法。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
截至二零一六年十二月三十一日止年度

### 8. OPERATING SEGMENTS (continued)

### 8. 經營分部 (續)

Segment assets and liabilities

分部資產及負債

For the year ended 31 December 2016

截至二零一六年十二月三十一日止  
年度

		Manufacture and sale of paper converting equipment and other relating equipment	Money lending	E-Commerce	Consolidated
		製造及銷售 紙張加工設備 及其他 相關設備	放債	電子商務	綜合
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>ASSETS</b>	<b>資產</b>				
Segment assets	分部資產	204,861	41,357	317,906	367,051
Unallocated corporate assets	未分配公司資產				11,500
Consolidated total assets	綜合資產總值				942,675
<b>LIABILITIES</b>	<b>負債</b>				
Segment liabilities	分部負債	35,110	41,925	66,050	32,111
Unallocated corporate liabilities	未分配公司負債				203,629
Consolidated total liabilities	綜合負債總額				378,825

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
截至二零一六年十二月三十一日止年度

### 8. OPERATING SEGMENTS (continued)

Segment assets and liabilities (continued)

For the year ended 31 December 2016 (continued)

### 8. 經營分部 (續)

分部資產及負債 (續)

截至二零一六年十二月三十一日止  
年度 (續)

	Manufacture and sale of paper converting equipment and other relating equipment	Money lending	E-Commerce	Others	Consolidated		
	製造及銷售紙張加工設備及其他相關設備	放債	電子商務	其他	綜合		
	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元		
<b>Other segment information</b>	<b>其他分部資料</b>						
Amounts included in the measure of segment profit or loss or segment assets:	計量分部利潤或虧損或分部資產時計入的金額：						
Addition to non-current assets	非流動資產添置	1,033	400	-	-	209	1,642
Depreciation of property, plant and equipment	物業、廠房及設備折舊	98	984	6	121	409	1,618
Interest income	利息收入	-	(191)	(54)	-	(32)	(277)
Interest expense	利息開支	-	1,105	-	-	4,389	5,494
Interest tax expense	所得稅開支	-	-	1,494	666	-	2,160
Impairment loss recognised in respect of trade receivables	就貿易應收款項確認的減值虧損	1,534	478	-	-	-	2,012
Amortisation of prepaid lease payments	預付租賃款項攤銷	-	156	-	-	-	156
Amortisation of intangible assets	無形資產攤銷	-	953	-	33,182	-	34,135
Research and development costs	研發成本	26,612	-	-	-	-	26,612

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
截至二零一六年十二月三十一日止年度

### 8. OPERATING SEGMENTS (continued)

#### Segment assets and liabilities (continued)

For the year ended 31 December 2015

### 8. 經營分部 (續)

#### 分部資產及負債 (續)

截至二零一五年十二月三十一日止年度

		Manufacture and sale of paper converting equipment and other relating equipment 製造及銷售 紙張加工設備 及其他 相關設備	Money lending 放債	E-Commerce 電子商務	Consolidated 綜合
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>ASSETS</b>	<b>資產</b>				
Segment assets	分部資產	<u>280,790</u>	<u>36,646</u>	<u>182,953</u>	<u>348,804</u>
Unallocated corporate assets	未分配公司資產				<u>26,775</u>
Consolidated total assets	綜合資產總值				<u>875,968</u>
<b>LIABILITIES</b>	<b>負債</b>				
Segment liabilities	分部負債	<u>39,107</u>	<u>35,933</u>	<u>2,831</u>	<u>33,351</u>
Unallocated corporate liabilities	未分配公司負債				<u>215,199</u>
Consolidated total liabilities	綜合負債總額				<u>326,421</u>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
截至二零一六年十二月三十一日止年度

### 8. OPERATING SEGMENTS (continued)

### 8. 經營分部 (續)

#### Segment assets and liabilities (continued)

#### 分部資產及負債 (續)

For the year ended 31 December 2015 (continued)

截至二零一五年十二月三十一日止  
年度 (續)

	Manufacture and sale of paper converting equipment and other relating equipment	Manufacture and sale of advanced steel flow control products	Money lending	E-Commerce	Others	Consolidated	
	製造及銷售 紙張加工設備 及其他 相關設備	製造及銷售 高端鋼水 控流產品	放債	電子商務	其他	綜合	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
<b>Other segment information</b>	<b>其他分部資料</b>						
Amounts included in the measure of segment profit or loss or segment assets:	計量分部利潤或虧損或 分部資產時計入的金額：						
Addition to non-current assets	非流動資產添置	624	7	-	60	9,220	9,911
Depreciation of property, plant and equipment	物業、廠房及設備折舊	13,699	1,672	1	18	197	15,587
Impairment loss recognised in respect of trade receivables	就貿易應收款項確認的 減值虧損	10,316	5,080	-	-	-	15,396
Impairment loss recognised in respect of property, plant and equipment	就物業、廠房及設備確認的 減值虧損	34,607	23,400	-	-	-	58,007
Impairment loss recognised in respect of intangible assets	就無形資產確認的減值虧損	-	9,800	-	-	-	9,800
Impairment loss recognised in respect of prepaid lease payments	就預付租賃款項確認的 減值虧損	9,393	5,600	-	-	-	14,993
Impairment loss recognised in respect of goodwill	就商譽確認的減值虧損	-	6,542	38,747	-	-	45,289
Interest income	利息收入	(59)	(42)	(3)	(3)	(1)	(108)
Interest expense	利息開支	-	1,261	-	-	1,165	2,426
Interest tax expense	所得稅開支	-	-	1,515	1,069	-	2,584
Amortisation of prepaid lease payments	預付租賃款項攤銷	235	156	-	-	-	391
Amortisation of intangible assets	無形資產攤銷	-	1,297	-	5,339	-	6,636
Research and development costs	研發成本	32,547	-	-	-	-	32,547

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
截至二零一六年十二月三十一日止年度

### 8. OPERATING SEGMENTS (continued)

#### Information about geographical areas

The following table provides an analysis of the Group's revenue by geographical market:

The People Republic of China ("PRC") (country of domicile)	中華人民共和國(「中國」) (原籍國家)
Europe	歐洲
Asia (other than the PRC and Hong Kong)	亞洲(不包括中國及香港)
North America	北美洲
Africa	非洲
Oceania	大洋洲
Hong Kong	香港

#### Non-current assets

Hong Kong	香港
PRC	中國

### 8. 經營分部(續)

#### 地區資料

下表提供本集團按地區市場劃分的收入分析：

For the year ended  
31 December  
截至十二月三十一日止年度

2016 二零一六年	2015 二零一五年
RMB'000 人民幣千元	RMB'000 人民幣千元
141,995	214,087
124,111	45,842
15,547	10,064
56,682	10,531
–	622
5,597	424
13,908	7,372
<b>357,840</b>	<b>288,942</b>

#### 非流動資產

As at 31 December  
於十二月三十一日

2016 二零一六年	2015 二零一五年
RMB'000 人民幣千元	RMB'000 人民幣千元
390,639	408,323
12,753	2,688
<b>403,392</b>	<b>411,011</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
截至二零一六年十二月三十一日止年度

### 8. OPERATING SEGMENTS (continued)

#### Information about geographical areas (continued)

The non-current asset information above is based on the location of assets.

#### Information about major customers

No individual customer contributed more than 10% of the Group's revenue for the year ended 31 December 2016 (2015: Nil).

### 9. OTHER INCOME

Interest income on bank deposit	銀行存款的利息收入
Exchange gain	匯兌收益
Sundry income	雜項收入

### 8. 經營分部 (續)

#### 地區資料 (續)

上述非流動資產的資料乃基於資產所在地。

#### 主要客戶資料

截至二零一六年十二月三十一日止年度，並無個別客戶為本集團帶來超過10%收入(二零一五年：無)。

### 9. 其他收入

2016 二零一六年	2015 二零一五年
RMB'000 人民幣千元	RMB'000 人民幣千元
277	108
1,153	569
965	53
<b>2,395</b>	<b>730</b>



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
截至二零一六年十二月三十一日止年度

### 10. IMPAIRMENT LOSS ON VARIOUS ASSETS

### 10. 各項資產的減值虧損

		2016 二零一六年	2015 二零一五年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Trade receivables	貿易應收款項	2,012	15,396
Property, plant and equipment	物業、廠房及設備	-	58,007
Intangible assets	無形資產	-	9,800
Prepaid lease payments	預付租賃款項	-	14,993
Goodwill	商譽	-	45,289
		<u>2,012</u>	<u>143,485</u>

### 11. FINANCE COSTS

### 11. 融資成本

		2016 二零一六年	2015 二零一五年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Interest charge on promissory notes	就承兌票據支付的利息	4,389	1,165
Interest charge on bank borrowing	就銀行借貸支付的利息	1,105	1,261
		<u>5,494</u>	<u>2,426</u>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
截至二零一六年十二月三十一日止年度

### 12. LOSS BEFORE TAXATION

### 12. 除稅前虧損

		2016 二零一六年	2015 二零一五年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Loss before taxation has been arrived at after charging (crediting):	除稅前虧損經扣除(計入)下列項目後達致:		
Auditor's remuneration	核數師酬金	651	553
Amortisation of prepaid lease payments	預付租賃款項攤銷	156	391
Amortisation of other intangible assets	其他無形資產攤銷	34,135	6,636
Cost of inventories recognised as an expense	確認為開支之存貨成本	292,580	306,195
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,618	15,587
Minimum lease payments in respect of office premises	有關辦公室物業之最低租賃款項	1,490	544
(Gain)/loss on disposal of property, plant and equipment	出售物業、廠房及設備(收益)/虧損	(28)	97
Net exchange (gain)/loss	匯兌(收益)/虧損淨額	(1,153)	(211)
Research and development costs (included in other expenses)	研發成本(列入其他開支)	26,612	32,547
Staff costs (including directors' emoluments)	員工成本(包括董事酬金)		
– Salaries and other benefits	– 薪金及其他福利	36,572	39,626
– Retirement benefit scheme contributions	– 退休福利計劃供款	2,606	3,297
– Share-based payments	– 以股份為基礎付款	11,024	10,407
		<b>50,202</b>	53,330
Less: Staff costs included in research and development costs	減: 計入研發成本的員工成本	<b>(2,009)</b>	(2,166)
		<b>48,193</b>	51,164

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
截至二零一六年十二月三十一日止年度

### 13. TAXATION

#### Hong Kong Profits Tax:

- Current year
- Under provision in prior years

#### Deferred tax:

- Current year

#### 香港利得稅：

- 本年度
- 過往年度撥備不足

#### 遞延稅項：

- 本年度

Hong Kong Profits Tax was calculated at 16.5% (2015: 16.5%) on the estimated assessable profits arising in Hong Kong for both years.

Provision for the PRC Enterprise Income Tax was made based on the estimated taxable profits calculated in accordance with the relevant income tax laws and regulations applicable to the Company's PRC subsidiaries.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

### 13. 稅項

2016 二零一六年	2015 二零一五年
RMB'000 人民幣千元	RMB'000 人民幣千元
2,160	993
-	1,591
<b>(6,212)</b>	<b>(10,202)</b>
<b>(4,052)</b>	<b>(7,618)</b>

於兩個年度，香港利得稅乃按估計於香港產生的應課稅溢利之16.5%（二零一五年：16.5%）計算。

中國企業所得稅撥備乃根據估計應課稅溢利（按適用於本公司中國附屬公司之有關所得稅法律及法規計算）作出。

根據《中國企業所得稅法》（「企業所得稅法」）及企業所得稅法實施條例，中國附屬公司的稅率為25%。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
截至二零一六年十二月三十一日止年度

### 13. TAXATION (continued)

On 24 August 2015, one of the PRC subsidiaries obtained a Chinese High-Tech Enterprise Certificate which is valid for three years. According to GuoShuiHan [2009] No. 203, entities qualifying for the Hi-tech status could enjoy a PRC Enterprise Income Tax preferential treatment starting from the year of obtaining the Hi-tech certificate. As a result, this PRC subsidiary was subject to a PRC Enterprise Income Tax of 15% for three years commencing from 2015.

According to a joint circular of the Ministry of Finance and State Administration of Taxation – Cai Shui 2008 No. 1, dividend distributed out of the profits of PRC entities generated after 1 January 2008 are subject to PRC Enterprise Income Tax which is withheld by the PRC entity at 5% of the dividend distributed.

At the end of the reporting period, the Group has unused tax losses of RMB521,429,000 (2015: RMB408,068,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such unused tax losses due to the unpredictability of future profit streams. All the unrecognised tax losses will expire before 2019.

### 13. 稅項 (續)

於二零一五年八月二十四日，其中一家中國附屬公司已獲得中國高新技術企業證書，有效期三年。根據國稅函[2009]第203號，符合高新技術企業資格的實體自獲得高新技術企業證書當年起可享中國企業所得稅優惠待遇。因此，該中國附屬公司自二零一五年起計三年按15%繳納中國企業所得稅。

根據由財政部及國家稅務總局聯合發出的通知（財稅2008第1號文件），於二零零八年一月一日之後從中國實體的溢利中分派之股息須繳納中國企業所得稅，並由該中國實體按已分派股息的5%預扣。

於申報期末，本集團擁有未動用稅項虧損人民幣521,429,000元（二零一五年：人民幣408,068,000元），可被日後溢利所抵銷。由於無法預測日後溢利流，故並無就該等未動用稅項虧損確認遞延稅項資產。所有未確認稅項虧損將於二零一九年之前屆滿。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
截至二零一六年十二月三十一日止年度

### 13. TAXATION (continued)

The tax charge for the year can be reconciled to the loss before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

### 13. 稅項 (續)

年內稅項支出與綜合損益及其他全面收益表之除稅前虧損對賬如下：

		2016 二零一六年	2015 二零一五年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Loss before taxation	除稅前虧損	<b>(141,991)</b>	(278,886)
Notional tax at the applicable tax rate to losses in the tax jurisdictions concerned	於相關稅項司法權區虧損按適用稅率計的估計稅項	<b>(32,560)</b>	(68,532)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅務影響	<b>6,949</b>	1,991
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	<b>(65)</b>	(38)
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	<b>27,836</b>	67,572
Reversal of withholding tax on undistributed earnings	對未分派盈利之預扣稅撥回	<b>(871)</b>	(9,343)
Deferred tax upon revaluation of assets	資產重新估值後之遞延稅項	<b>(5,341)</b>	(859)
Under/(Over) provision in prior years	過往年度撥備不足／(超額撥備)	<b>—</b>	1,591
Taxation credit charge for the year	年內稅項抵免支出	<b>(4,052)</b>	(7,618)

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
截至二零一六年十二月三十一日止年度

### 14. DIRECTORS AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to each of the directors and the Chief Executive, were as follows:

### 14. 董事及主要行政人員之酬金

已付或應付予各董事及主要行政人員之酬金如下：

		Fees	Salaries and allowances	Performance related bonus	Retirement benefit scheme contributions	Share-based payments	Total
		袍金	薪金及津貼	與表現相關之花紅	退休福利計劃供款	以股份為基礎付款	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>For the year ended</b>	<b>截至二零一六年十二月</b>						
<b>31 December 2016:</b>	<b>三十一日止年度：</b>						
Executive directors:	執行董事：						
Xu Yejun	徐葉君	379	120	-	9	-	508
Sin Kwok Wai, Ronald	冼國威	541	-	-	15	-	556
Non-executive director:	非執行董事：						
Chow Chi Wa	周志華	205	-	-	-	-	205
Yip Sum Yu	葉芯瑜	123	-	-	-	-	123
Independent non-executive directors:	獨立非執行董事：						
Li Yik Sang	李奕生	103	-	-	-	-	103
Tong Yiu On	唐耀安	103	-	-	-	-	103
Cao Ke	曹克	103	-	-	-	-	103
		<b>1,557</b>	<b>120</b>	<b>-</b>	<b>24</b>	<b>-</b>	<b>1,701</b>

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## 綜合財務報表附註

For the year ended 31 December 2016  
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### 14. DIRECTORS AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

### 14. 董事及主要行政人員之酬金 (續)

		Fees	Salaries and allowances	Performance related bonus	Retirement benefit scheme contributions	Share-based payments	Total
		袍金	薪金及津貼	與表現相關之花紅	退休福利計劃供款	以股份為基礎付款	合計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>For the year ended</b>	<b>截至二零一五年十二月</b>						
<b>31 December 2015:</b>	<b>三十一日止年度：</b>						
Executive directors:	執行董事：						
Xu Yejun	徐葉君	348	120	-	9	-	477
Sin Kwok Wai, Ronald	冼國威	515	-	-	29	1,301	1,845
Non-executive director:	非執行董事：						
Chow Chi Wa	周志華	176	-	-	-	-	176
Yip Sum Yu	葉芯瑜	115	-	-	-	1,301	1,416
Independent non-executive directors:	獨立非執行董事：						
Yao Enshu (resigned on 10 June 2015)	姚恩澍 (於二零一五年六月十日辭任)	40	-	-	-	-	40
Li Yik Sang	李奕生	96	-	-	-	-	96
Tong Yiu On	唐耀安	96	-	-	-	-	96
Cao Ke (appointed on 10 June 2015)	曹克 (於二零一五年六月十日獲委任)	54	-	-	-	-	54
		<u>1,440</u>	<u>120</u>	<u>-</u>	<u>38</u>	<u>2,602</u>	<u>4,200</u>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 14. DIRECTORS AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

Mr. Xu Yejun is also the Chief Executive of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive. Mr. Xu Yejun was resigned as the Chief Executive with effect from January 2015.

Mr. Lu Yongchao was appointed as the Chief Executive of the Company with effect from January 2015.

The performance related bonus is determined by the performance of individuals.

None of the directors waived any emoluments for both years.

There was no compensation paid during the financial year or receivable by directors or any employees for loss of office as a director of any member of the Group. No payment was made by the Group or receivable by directors or any employees for both years as an inducement to join or upon joining the Company.

### 14. 董事及主要行政人員之酬金 (續)

徐葉君先生亦為本公司行政總裁，上文披露彼之酬金包括彼作為行政總裁提供服務所享有之酬金。徐葉君先生自二零一五年一月起已辭任行政總裁。

呂永超先生自二零一五年一月起已獲委任為本公司行政總裁。

與表現相關之花紅乃根據個人表現釐定。

於該兩個年度，概無董事放棄收取任何酬金。

於本財政年度內概無支付或概無董事或任何僱員因失去本集團任何成員公司的董事職位而應收的任何補償。於兩個年度，本集團概無支付或概無董事或任何僱員應收加盟本公司或加盟本公司後的獎金。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 15. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, two (2015: two) were directors of the Company whose emoluments are included in the disclosures in note 13 above. The emoluments of the remaining three (2015: three) individuals were as follows:

Salaries and allowances	薪金及津貼
Retirement benefit scheme contributions	退休福利計劃供款
Share-based payments	以股份為基礎付款

### 15. 僱員酬金

在本集團五名最高薪人士當中，兩名（二零一五年：兩名）為本公司之董事，其酬金已於上文附註13中披露。餘下三名（二零一五年：三名）人士之酬金如下：

2016 二零一六年	2015 二零一五年
RMB'000 人民幣千元	RMB'000 人民幣千元
2,345	478
31	22
—	1,301
<b>2,376</b>	<b>1,801</b>

Their emoluments were within the following bands:

Up to RMB1,000,000	最多至人民幣1,000,000元
RMB1,000,001 to RMB1,500,000	人民幣1,000,001元至 人民幣1,500,000元

彼等之酬金介乎以下範圍之內：

2016 二零一六年	2015 二零一五年
Number of employee 僱員人數	Number of employee 僱員人數
1	2
2	1

### 16. DIVIDENDS

No dividend was paid or proposed by the Company during the years ended 31 December 2016 and 2015, nor has any dividend been proposed since the end of the reporting period.

### 16. 股息

本公司並無派付或建議派付截至二零一六年及二零一五年十二月三十一日止年度之股息，且自申報期末以來亦無建議派付任何股息。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 17. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

#### Loss

Loss for the year attributable to the owners of the Company for the purpose of basic and diluted loss per share

#### 虧損

就每股基本及攤薄虧損而言之本公司擁有人應佔年度虧損

#### Number of shares

Weighted average number of ordinary shares for the purpose of basic and diluted loss per share

#### 股份數目

就計算每股基本及攤薄虧損所使用之普通股加權平均數

The calculation of diluted loss per share for each of the two years had not taken into consideration the assumed exercise of the Company's outstanding share options as it would reduce the loss per share.

### 17. 每股虧損

本公司擁有人應佔每股基本及攤薄虧損乃根據以下數據計算：

2016 二零一六年	2015 二零一五年
RMB'000 人民幣千元	RMB'000 人民幣千元
(138,695)	(271,432)
Number of shares 股份數目	Number of shares 股份數目
2016 二零一六年	2015 二零一五年
'000 千股	'000 千股
2,853,748	1,919,628

計算兩個年度各年之每股攤薄虧損並無計入假設行使本公司尚未行使之購股權，因其會導致每股虧損減少。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
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### 18. PROPERTY, PLANT AND EQUIPMENT

### 18. 物業、廠房及設備

		Buildings 樓宇 RMB'000 人民幣千元	Furniture and fixtures and office equipment 傢俱及裝置及 辦公室設備 RMB'000 人民幣千元	Plant, machinery and equipment 廠房、機器及 設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Cost:</b>	<b>成本：</b>					
At 1 January 2015	於二零一五年一月一日	64,468	4,222	113,457	8,706	190,853
Additions	添置	9,214	90	552	55	9,911
Acquired on acquisition of subsidiaries	收購附屬公司時購入	-	186	-	-	186
Disposals	出售	-	-	-	(147)	(147)
Exchange realignment	匯兌調整	615	22	-	-	637
<b>At 31 December 2015 and at 1 January 2016</b>	<b>於二零一五年 十二月三十一日及 於二零一六年一月一日</b>	<b>74,297</b>	<b>4,520</b>	<b>114,009</b>	<b>8,614</b>	<b>201,440</b>
Additions	添置	-	235	165	1,242	1,642
Disposals	出售	-	-	-	(221)	(221)
Exchange realignment	匯兌調整	681	72	-	-	753
<b>At 31 December 2016</b>	<b>於二零一六年 十二月三十一日</b>	<b>74,978</b>	<b>4,827</b>	<b>114,174</b>	<b>9,635</b>	<b>203,614</b>
<b>Depreciation and impairment:</b>	<b>折舊及減值：</b>					
At 1 January 2015	於二零一五年一月一日	11,434	884	96,876	6,523	115,717
Provided for the year	年內撥備	3,698	671	10,261	957	15,587
Eliminated on disposals	出售之對銷	-	-	-	(50)	(50)
Impairment loss recognised in profit or loss	於損益內確認之 減值虧損	48,405	2,409	6,086	1,107	58,007
Exchange realignment	匯兌調整	8	16	-	-	24
<b>At 31 December 2015 and at 1 January 2016</b>	<b>於二零一五年 十二月三十一日及 於二零一六年一月一日</b>	<b>63,545</b>	<b>3,980</b>	<b>113,223</b>	<b>8,537</b>	<b>189,285</b>
Provided for the year	年內撥備	1,134	226	93	165	1,618
Eliminated on disposals	出售之對銷	-	-	-	(199)	(199)
Exchange realignment	匯兌調整	32	54	-	-	86
<b>At 31 December 2016</b>	<b>於二零一六年 十二月三十一日</b>	<b>64,711</b>	<b>4,260</b>	<b>113,316</b>	<b>8,503</b>	<b>190,790</b>
<b>Carrying values:</b>	<b>賬面值：</b>					
At 31 December 2016	於二零一六年 十二月三十一日	<b>10,267</b>	<b>567</b>	<b>858</b>	<b>1,132</b>	<b>12,824</b>
At 31 December 2015	於二零一五年 十二月三十一日	10,752	540	786	77	12,155

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## 綜合財務報表附註

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### 18. PROPERTY, PLANT AND EQUIPMENT (continued)

As at 31 December 2016, certain of the Group's buildings with a net carrying value of RMB389,000 (2015: RMB1,121,000) were pledged to secure short-term bank borrowings.

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives and after taking into account of their estimated residual value, at the following rates per annum:

Buildings	4.5% – 18%
Leasehold improvements	20% or over the lease term, whichever is shorter
Furniture and fixtures and office equipment	18%
Plant, machinery and equipment	9%
Motor vehicles	18%

The buildings are situated on land in the PRC and are held under medium term leases.

No impairment loss has been recognised during the year ended 31 December 2016.

During the year ended 31 December 2015, as a result of the continuous decline in the performance of the Group, the Group carried out a review of the recoverable amount of the Group's property, plant and equipment. The review led to the recognition of an impairment loss of RMB58,007,000, which has been recognised in profit or loss. The recoverable amounts of the relevant assets have been determined on their value in use. The discount rate in measuring the amounts of value in use for manufacture and sale of advanced steel flow control products segment and the manufacture and sale of paper converting equipment and other related equipment segment were 16.53% and 13.57%, respectively.

### 18. 物業、廠房及設備 (續)

於二零一六年十二月三十一日，本集團已質押若干賬面淨值為人民幣389,000元（二零一五年：人民幣1,121,000元）的樓宇，以取得短期銀行借貸。

上述物業、廠房及設備項目使用直線法及經考慮其估計剩餘價值後以下列年率計算於其估計可使用年期之折舊：

樓宇	4.5% – 18%
租賃物業裝修	20%或按租期， 以較短者為準
傢俱及裝置及 辦公室設備	18%
廠房、機器及 設備	9%
汽車	18%

樓宇位於中國內地，並根據中期租約持有。

於截至二零一六年十二月三十一日止年度，概無確認減值虧損。

於截至二零一五年十二月三十一日止年度，由於本集團的表現繼續下滑，本集團對其物業、廠房及設備的可收回金額進行了審查。審查導致確認減值虧損人民幣58,007,000元，而該筆款項已於損益內確認。相關資產的可收回金額已根據其使用價值釐定。計量製造及銷售高端鋼水控流產品分部以及製造及銷售紙張加工設備及其他相關設備分部的使用價值金額時的折現率分別為16.53%及13.57%。

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## 綜合財務報表附註

For the year ended 31 December 2016  
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### 19. GOODWILL

<b>Cost:</b>	<b>成本：</b>
At 1 January	於一月一日
Acquisition of subsidiaries	收購附屬公司
Exchange realignment	匯兌調整
At 31 December	於十二月三十一日
<b>Accumulated impairment:</b>	<b>累計減值：</b>
At 1 January	於一月一日
Provided for the year	年內撥備
Exchange realignment	匯兌調整
At 31 December	於十二月三十一日
<b>Carrying value:</b>	<b>賬面值：</b>
At 31 December	於十二月三十一日

Goodwill is allocated to the Group's cash generated units ("CGU") identified according to business segment as follows:

### 19. 商譽

	2016 二零一六年	2015 二零一五年
	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>Cost:</b>		
At 1 January	351,112	6,542
Acquisition of subsidiaries	—	333,058
Exchange realignment	23,866	11,512
At 31 December	<u>374,978</u>	<u>351,112</u>
<b>Accumulated impairment:</b>		
At 1 January	45,289	—
Provided for the year	—	45,289
Exchange realignment	2,684	—
At 31 December	<u>47,973</u>	<u>45,289</u>
<b>Carrying value:</b>		
At 31 December	<u>327,005</u>	<u>305,823</u>

商譽獲分配至本集團按以下業務分部辨識的現金產生單位（「現金產生單位」）：

		2016 二零一六年	2015 二零一五年
	Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
Money lending	(i)	75,895	70,978
E-Commerce	(ii)	251,110	234,845
		<u>327,005</u>	<u>305,823</u>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
截至二零一六年十二月三十一日止年度

### 19. GOODWILL (continued)

#### (i) Money lending

During the year ended 31 December 2015, the Group acquired 90% issued share capital of Time Credit Limited and goodwill of approximately RMB103,318,000 was recognised upon completion of the acquisition.

The recoverable amount of the CGU has been determined based on a value in use calculation. That calculation adopted cash flow projections covering a 5-year period, based on financial budgets approved by the management with discount rate of 16% (2015: 15.37%) per annum. Cash flows beyond the 5-year period are extrapolated with 3% growth rate. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin. Such estimation is based on the unit's past performance and management's expectations of the market development. No impairment loss was recognised for the year ended 31 December 2016 (2015: RMB38,747,000).

#### (ii) E-Commerce

During the year ended 31 December 2015, the Group acquired the entire issued share capital of Soaring International Holdings Limited and its subsidiaries ("Soaring International Group") and goodwill of approximately RMB229,740,000 was recognised upon completion of the acquisition.

The recoverable amount of the CGU has been determined based on a value in use calculation. That calculation adopted cash flow projections covering a 5-year period, based on financial budgets approved by the management with discount rate of 14.12% per annum. Cash flows beyond the 5-year period are extrapolated with 2% growth rate. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin. Such estimation is based on the unit's past performance and management's expectations of the market development. No impairment loss has been recognised for this CGU for the year ended 31 December 2016 and 2015.

### 19. 商譽 (續)

#### (i) 放債

於截至二零一五年十二月三十一日止年度，本集團收購了友邦信貸有限公司之90%已發行股本，並於收購完成後確認商譽約人民幣103,318,000元。

現金產生單位之可收回金額已根據使用價值計算釐定。該計算乃採用基於管理層批准的財政預算及折現率每年16%（二零一五年：15.37%）的五年期間內現金流量預測。五年期間後之現金流量乃根據3%的增長率推算。使用價值計算的其他重要假設與包括預算銷售及毛利率的現金流入／流出之估計有關。有關估計乃基於單位的過往表現及管理層對市場發展的預期得出。於截至二零一六年十二月三十一日止年度，概無確認減值虧損（二零一五年：人民幣38,747,000元）。

#### (ii) 電子商務

於截至二零一五年十二月三十一日止年度，本集團收購了Soaring International Holdings Limited及其附屬公司（「Soaring International集團」）之全部已發行股本，並於收購完成後確認商譽約人民幣229,740,000元。

現金產生單位之可收回金額已根據使用價值計算釐定。該計算乃採用基於管理層批准的財政預算及折現率每年14.12%的五年期間內現金流量預測。五年後之現金流量乃根據2%的增長率推算。使用價值計算的其他重要假設與包括預算銷售及毛利率的現金流入／流出之估計有關。有關估計乃基於單位的過往表現及管理層對市場發展的預期得出。截至二零一六年及二零一五年十二月三十一日止年度，概無於此現金產生單位確認減值虧損。

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### 20. INTANGIBLE ASSETS

### 20. 無形資產

		Technology know-how 專有技術 RMB'000 人民幣千元	Customer relationship 客戶關係 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Cost:</b>	<b>成本：</b>			
At 1 January 2015	於二零一五年一月一日	2,236	10,733	12,969
Exchange realignment	匯兌調整	2,110	-	2,110
Arising from acquisition of subsidiaries	因收購附屬公司而產生	94,970	-	94,970
<b>At 31 December 2015 and at 1 January 2016</b>	<b>於二零一五年十二月三十一日及於二零一六年一月一日</b>	99,316	10,733	110,049
Exchange realignment	匯兌調整	6,724	-	6,724
<b>At 31 December 2016</b>	<b>於二零一六年十二月三十一日</b>	<b>106,040</b>	<b>10,733</b>	<b>116,773</b>
<b>Accumulated amortisation and impairment:</b>	<b>累計攤銷及減值：</b>			
At 1 January 2015	於二零一五年一月一日	159	760	919
Provided for the year	年度撥備	5,563	1,073	6,636
Impairment loss	減值虧損	1,853	7,947	9,800
Exchange realignment	匯兌調整	71	-	71
<b>At 31 December 2015 and at 1 January 2016</b>	<b>於二零一五年十二月三十一日及於二零一六年一月一日</b>	7,646	9,780	17,426
Provided for the year	年度撥備	33,182	953	34,135
Exchange realignment	匯兌調整	1,903	-	1,903
<b>At 31 December 2016</b>	<b>於二零一六年十二月三十一日</b>	<b>42,731</b>	<b>10,733</b>	<b>53,464</b>
<b>Carrying amount:</b>	<b>賬面值：</b>			
<b>At 31 December 2016</b>	<b>於二零一六年十二月三十一日</b>	<b>63,309</b>	<b>-</b>	<b>63,309</b>
At 31 December 2015	於二零一五年十二月三十一日	91,670	953	92,623

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
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### 20. INTANGIBLE ASSETS (continued)

The above intangible assets have finite useful life. Such intangible assets are amortised on a straight-line basis over the following periods:

Technology know-how	3 to 10 years
Customer relationship	10 years

No impairment loss has been recognised during the year ended 31 December 2016.

During the year ended 31 December 2015, as a result of the decline in the performance of the manufacture and sale of paper converting equipment and other relating equipment segment, the Group carried out a review of the recoverable amount of the Group's technology know-how and customer relationship. The review led to the recognition of an impairment loss of RMB9,800,000, which has been recognised in profit or loss. The recoverable amounts of the relevant asset have been determined on their value in use. The discount rate in measuring the amounts of value in use was 13.57%.

### 21. PREPAID LEASE PAYMENTS

The Group's prepaid lease payments represent leasehold land in the PRC under medium term lease and are amortised to consolidated statement of profit or loss and other comprehensive income over the lease term of 50 years.

### 20. 無形資產 (續)

上述無形資產具有有限使用年期。該等無形資產乃於以下期間按直線法攤銷：

專有技術	3至10年
客戶關係	10年

於截至二零一六年十二月三十一日止年度，概無確認減值虧損。

於截至二零一五年十二月三十一日止年度，由於製造及銷售紙張加工設備及其他相關設備分部之表現下跌，本集團就本集團的專有技術及客戶關係的可收回金額進行審查。該審查導致於損益內確認減值虧損人民幣9,800,000元。相關資產的可收回金額已按其使用價值釐定。用於計算使用價值的折現率為13.57%。

### 21. 預付租賃款項

本集團的預付租賃款項指位於中國並根據中期租約持有之租賃土地，並按為期50年的租賃期在綜合損益及其他全面收益表中攤銷。

Analysed for reporting purposes as: 就報告而言分析如下：

Non-current asset	非流動資產
Current asset	流動資產

2016 二零一六年	2015 二零一五年
RMB'000 人民幣千元	RMB'000 人民幣千元
254	410
156	156
<b>410</b>	<b>566</b>



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
截至二零一六年十二月三十一日止年度

### 21. PREPAID LEASE PAYMENTS (continued)

No impairment loss of prepaid lease payments has been recognised during the year ended 31 December 2016. During the year ended 31 December 2015, as a result of the decline in the performance of the manufacture and sale of advanced steel flow control products segment and the manufacture and sale of paper converting equipment and other relating equipment segment, the Group carried out a review of the recoverable amount of the Group's prepaid lease payments. The review led to the recognition of an impairment loss of RMB14,993,000. The recoverable amounts of the relevant asset have been determined on their value in use. The discount rate in measuring the amounts of value in use for manufacture and sale of advanced steel flow control products segment and the manufacture and sale of paper converting equipment and other related equipment segment were 16.53% and 13.57% respectively.

As at 31 December 2016, certain of the Group's leasehold land with a net carrying value of RMB410,000 (2015: RMB566,000) was pledged to secure short-term bank borrowings.

### 22. INVENTORIES

Raw materials	原材料
Work-in-progress	在製品
Finished goods	製成品
Less: Allowance for inventories	減：存貨撥備

### 21. 預付租賃款項 (續)

於截至二零一六年十二月三十一日止年度，概無確認預付租賃款項之減值虧損。於截至二零一五年十二月三十一日止年度，由於製造及銷售高端鋼水控流產品分部以及製造及銷售紙張加工設備及其他相關設備分部之表現下跌，本集團就本集團的預付租賃款項的可收回金額作出審查。該審查導致確認減值虧損人民幣14,993,000元。相關資產的可收回金額已按其使用價值釐定。用於計算製造及銷售高端鋼水控流產品分部以及製造及銷售紙張加工設備及其他相關設備分部的使用價值的折現率分別為16.53%及13.57%。

於二零一六年十二月三十一日，本集團已抵押若干賬面淨值為人民幣410,000元（二零一五年：人民幣566,000元）的租賃土地，以取得短期銀行借貸。

### 22. 存貨

2016 二零一六年	2015 二零一五年
RMB'000 人民幣千元	RMB'000 人民幣千元
12,511	10,522
17,624	22,739
33,109	26,870
63,244	60,131
(946)	(946)
62,298	59,185

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
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### 23. TRADE RECEIVABLES

The credit period granted by the Group to certain customers is within 180 days (2015: within 180 days), while payment from other customers are due immediately when goods are delivered. The following is an aged analysis of trade receivables presented based on the goods delivery date at the end of the reporting period, which approximated the respective revenue recognition dates:

0 – 30 days	0至30日
31 – 60 days	31至60日
61 – 90 days	61至90日
91 – 120 days	91至120日
121 – 180 days	121至180日
181 days to within 1 year	181日至1年以內

At 31 December 2016, included in the Group's trade receivables balances are debtors with aggregate carrying amount of RMB110,720,000 (2015: RMB166,293,000), which are past due as at the end of the reporting period for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

### 23. 貿易應收款項

本集團向若干客戶授出之信貸期為180日以內(二零一五年: 180日以內), 而其他客戶須於收到貨品時即時付款。以下為於申報期末根據貨品交付日期(與各自的收入確認日期相近)呈列之貿易應收款項賬齡分析:

2016 二零一六年	2015 二零一五年
RMB'000 人民幣千元	RMB'000 人民幣千元
24,950	21,808
13,831	22,753
13,617	20,576
13,552	38,956
17,443	17,872
71,836	91,292
<b>155,229</b>	<b>213,257</b>

於二零一六年十二月三十一日, 本集團之貿易應收款項結餘包括賬面總值為人民幣110,720,000元(二零一五年: 人民幣166,293,000元)之應收債項, 其於申報期末已逾期, 惟本集團並未作出減值虧損撥備。本集團並無就此等結餘持有任何抵押品。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
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### 23. TRADE RECEIVABLES (continued)

Aging of trade receivables which are past due but not impaired:

0 – 30 days	0至30日
31 – 60 days	31至60日
61 – 90 days	61至90日
91 – 120 days	91至120日
121 – 180 days	121至180日
181 days to within 1 year	181日至1年以內

The Group has not provided for certain trade receivables which are past due but not impaired because the directors of the Company consider that those receivables are recoverable based on the good payment record of the customers and long established trading history with these customers. The Group does not hold any collateral over these balances.

Movement in the allowance for doubtful debts:

At beginning of the year	於年初
Impairment loss recognised in respect of trade receivables	就貿易應收款項確認的減值虧損
At end of the year	於年末

### 23. 貿易應收款項 (續)

已逾期惟未減值之貿易應收款項之賬齡如下：

2016 二零一六年	2015 二零一五年
RMB'000 人民幣千元	RMB'000 人民幣千元
9,126	10,114
8,083	12,144
7,956	11,910
7,724	30,955
5,995	9,878
71,836	91,292
<b>110,720</b>	<b>166,293</b>

本集團並無就若干已逾期惟未減值之貿易應收款項作出撥備，乃由於本公司董事根據客戶之良好付款記錄及與該等客戶的長期交易往來歷史認為該等應收款項可收回。本集團並無就此等結餘持有任何抵押品。

呆賬撥備之變動：

2016 二零一六年	2015 二零一五年
RMB'000 人民幣千元	RMB'000 人民幣千元
46,019	30,623
2,012	15,396
<b>48,031</b>	<b>46,019</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
截至二零一六年十二月三十一日止年度

### 23. TRADE RECEIVABLES (continued)

Allowance on doubtful debts of RMB2,012,000 (2015: RMB15,396,000) recognised during the year ended 31 December 2016 was based on estimated irrecoverable amounts by reference to the creditability of individual customers, past default experience, subsequent settlement and payment history of the customers. Full provision has been made for individual trade receivables aged over one year with no subsequent settlement as historical evidence shows that such receivables are generally not recoverable, or individual trade receivables which has been in severe financial difficulties.

At 31 December 2016, included in the trade receivables was RMB10,210,000 that was denominated in HKD (2015: RMB2,231,000 were denominated in HKD). All the remaining trade receivables are denominated in RMB.

### 24. BILLS RECEIVABLES

The aged analysis of bills receivables presented based on the goods delivery date at the end of the reporting period are analysed as follows:

0 – 90 days	0至90日
91 – 120 days	91至120日
121 – 180 days	121至180日
Over 180 days	180日以上

### 23. 貿易應收款項 (續)

於截至二零一六年十二月三十一日止年度確認的呆賬撥備人民幣2,012,000元(二零一五年: 人民幣15,396,000元)乃基於經參考個別客戶的信用、客戶的過往違約記錄、其後結算及支付歷史而估計不可收回金額。已就賬齡超過一年及並無其後結算的個別貿易應收款項(因為歷史證據顯示該等應收款項一般不可收回)或已處於嚴重財政困難的個別貿易應收款項作出全面撥備。

於二零一六年十二月三十一日, 貿易應收款項包括以港元計值之款項人民幣10,210,000元(二零一五年: 以港元計值的款項人民幣2,231,000元)。所有其餘貿易應收款項均以人民幣計值。

### 24. 應收票據

於申報期末, 根據貨品交付日期呈列之應收票據賬齡分析如下:

2016 二零一六年	2015 二零一五年
RMB'000 人民幣千元	RMB'000 人民幣千元
3,458	1,390
–	4,117
1,510	2,723
7,347	8,870
<b>12,315</b>	<b>17,100</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
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### 24. BILLS RECEIVABLES (continued)

At 31 December 2016, the carrying value of bills receivables include bills endorsed to suppliers on a full recourse basis that are not yet due amounting to RMB4,968,000 (2015: RMB2,583,000). As the Group has not transferred the significant risks and rewards relating to these bills receivables, it continues to recognise the full carrying amount of the bills receivables as assets in the consolidated financial statements. The associated trade payables secured over the bills endorsed to the suppliers which were not yet due at the end of the reporting period are recognised as current liabilities in the consolidated statement of financial position.

Bills receivables endorsed to suppliers with full recourse:	按全面追索基準向供應商背書的應收票據：
Carrying amount of transferred assets	已轉讓資產之賬面值
Carrying amount of associated liabilities	相關負債之賬面值
Net position	持倉淨額

All the bills receivables are denominated in RMB.

The maturity dates of endorsed bills were less than six months from the end of the reporting period.

### 24. 應收票據 (續)

於二零一六年十二月三十一日，應收票據的賬面值包括按全面追索基準向供應商背書票據而尚未到期的款項人民幣4,968,000元（二零一五年：人民幣2,583,000元）。由於本集團尚未轉讓有關該等應收票據的重大風險及回報，故本集團繼續於綜合財務報表中確認應收票據的全數賬面值為資產。有關向供應商背書的票據（於申報期末尚未到期）的已保證相關貿易應付款項於綜合財務狀況表中被確認為流動負債。

2016 二零一六年	2015 二零一五年
RMB'000 人民幣千元	RMB'000 人民幣千元
4,968	2,583
(4,968)	(2,583)
<b>—</b>	<b>—</b>

所有應收票據均以人民幣計值。

背書票據之到期日均少於自申報期末起計六個月。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
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### 25. LOAN RECEIVABLES

The Group's loan receivables arose from the money lending business during the year.

Loan receivables carrying interest, and with credit periods, mutually agreed between the contracting parties. Loan receivables are secured by properties and personal guarantees by the debtors/certain individuals. Overdue balances are reviewed regularly and handled closely by senior management.

The loan receivables at the end of the reporting period are analysed by the remaining period to contractual maturity date as follows:

Within 3 months	3個月內
3 months to 1 year	3個月至1年

The interest rate was fixed at the contract date. The average effective interest rate was at 5.25% to 24% per annum as at 31 December 2016 (2015: 5.25% to 21%).

The loan receivables were neither past due nor impaired relate to certain debtors for whom there was no recent history of default.

### 25. 應收貸款

年內，本集團的應收貸款乃由放債業務產生。

應收貸款帶息及具有信貸期，乃經訂約方互相協定。應收貸款以物業及債務人／若干個別人士的個人擔保為抵押。高級管理層定期審視及密切跟進逾期欠款。

申報期末之應收貸款按距合約到期日之剩餘期限分析如下：

2016 二零一六年	2015 二零一五年
RMB'000 人民幣千元	RMB'000 人民幣千元
121,965	35,437
99,276	14,909
<b>221,241</b>	<b>50,346</b>

利率已於合約日期固定。於二零一六年十二月三十一日，平均實際年利率為5.25%至24%（二零一五年5.25%至21%）。

應收貸款並未逾期或減值，且與若干最近並無拖欠還款記錄的債務人有關。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
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### 26. BANK BALANCES AND CASH/RESTRICTED BANK DEPOSITS

Restricted bank deposits represents deposits of RMB2,054,000 (2015: RMB1,749,000) which have been pledged to banks to secure bills payables. The pledged deposits are not available for use in the Group's daily operation.

At 31 December 2016, included in the bank balances and cash was RMB37,617,000 (2015: RMB80,152,000) that was denominated in HKD and RMB45,000 (2015: RMB9,000) that was denominated in USD. All the remaining bank balances and cash are denominated in RMB.

### 27. TRADE AND BILLS PAYABLES

The following is an aged analysis of trade and bills payables presented based on the goods receipt date at the end of the reporting period.

0 – 30 days	0至30日
31 – 60 days	31至60日
61 – 90 days	61至90日
Over 90 days	90日以上

### 26. 銀行結餘及現金／受限制銀行存款

受限制銀行存款乃指已質押予銀行以取得應付票據的存款人民幣2,054,000元(二零一五年：人民幣1,749,000元)。已質押存款不可供本集團於日常業務中使用。

於二零一六年十二月三十一日，計入銀行結餘及現金的金額人民幣37,617,000元(二零一五年：人民幣80,152,000元)乃以港元計值，而人民幣45,000元(二零一五年：人民幣9,000元)則以美元計值。所有餘下銀行結餘及現金均以人民幣計值。

### 27. 貿易應付款項及應付票據

以下為貿易應付款項及應付票據於申報期末根據收取貨品日期呈列之賬齡分析。

2016 二零一六年	2015 二零一五年
RMB'000 人民幣千元	RMB'000 人民幣千元
23,821	18,613
7,530	8,074
5,184	1,227
14,414	12,455
<b>50,949</b>	<b>40,369</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
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### 27. TRADE AND BILLS PAYABLES (continued)

The credit period granted by the suppliers to the Group was within 30 days.

At 31 December 2016, included in the trade payables was RMB4,968,000 (2015: RMB2,583,000) secured over bills receivables endorsed to suppliers that were not yet due for payment.

The carrying amounts of the trade payables at the end of the reporting period are denominated in RMB.

### 28. OTHER PAYABLES AND ACCRUALS

Other payables	其他應付款項
Receipt in advance	預收款項
Accrued sales commission	應計銷售佣金
Accrued professional fees	應計專業費用
Accrued staff costs	應計員工成本
Other tax payables	其他應付稅項

### 27. 貿易應付款項及應付票據 (續)

供應商向本集團授出之信貸期為30日內。

於二零一六年十二月三十一日，計入貿易應付款項的金額中包括向供應商背書的應收票據（尚未到期還款）的已保證款項人民幣4,968,000元（二零一五年：人民幣2,583,000元）。

於申報期末，貿易應付款項之賬面值均以人民幣計值。

### 28. 其他應付款項及應計費用

2016 二零一六年	2015 二零一五年
RMB'000 人民幣千元	RMB'000 人民幣千元
11,271	11,436
2,296	1,417
8,848	14,167
681	553
4,915	4,045
1,493	2,092
<b>29,504</b>	<b>33,710</b>



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
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### 29. BANK AND OTHER BORROWINGS

The bank borrowings of RMB20,000,000 (2015: RMB20,000,000) were secured by the Group's leasehold land and building with a net carrying value of RMB410,000 (2015: RMB566,000) and RMB389,000 (2015: RMB1,121,000) respectively at the end of the reporting period and repayable within one year.

The other borrowings of approximately RMB64,462,000 (2015: RMB Nil) were due to independent third parties. The amounts were unsecured and repayable within one year.

The interest rate of the other borrowings amount were ranged from 2.9% to 5% per annum.

### 30. DEFERRED TAX LIABILITIES

### 29. 銀行及其他借貸

於申報期末，銀行借貸人民幣20,000,000元（二零一五年：人民幣20,000,000元）乃以本集團賬面淨值分別為人民幣410,000元（二零一五年：人民幣566,000元）及人民幣389,000元（二零一五年：人民幣1,121,000元）之租賃土地及樓宇作抵押，並須於一年內償還。

其他借貸約人民幣64,462,000元（二零一五年：人民幣零元）應給予獨立第三方，該等金額未經抵押並須於一年內償還。

其他借貸金額的年利率為2.9%至5%。

### 30. 遞延稅項負債

		Undistributed earnings of the PRC subsidiary 中國附屬公司 之未分派盈利 RMB'000 人民幣千元	Revaluation of assets 資產 重新估值 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日	6,386	3,827	10,213
Arising on acquisition of Soaring International Group	收購Soaring International集團 產生	-	15,334	15,334
Credit for the year	年內抵免	(5,515)	(4,687)	(10,202)
Exchange realignment	匯兌調整	-	330	330
At 31 December 2015	於二零一五年十二月三十一日	871	14,804	15,675
Credit for the year	年內抵免	(871)	(5,341)	(6,212)
Exchange realignment	匯兌調整	-	780	780
At 31 December 2016	於二零一六年十二月三十一日	-	10,243	10,243

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
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### 31. PROMISSORY NOTES

At 1 January	於一月一日
Issuance upon acquisition of Time Credit Limited (i)	於收購友邦信貸有限公司後發行(i)
Issuance upon acquisition of Soaring International Group (ii)	於收購Soaring International集團後發行(ii)
Accrued interest charged	應計已收取利息
Loss on early redemption	提前贖回虧損
Settlement by issuance of shares	以發行股份清償
Exchange realignment	匯兌調整
At 31 December	於十二月三十一日

#### Notes:

- (i) On 23 March 2015, the Company issued promissory notes for an aggregate principal amount of HK\$33,000,000 at 3% interest per annum (the "PN 1") upon completion of the acquisition of Time Credit Limited to Ms. Lam Wai Ha, an independent third party not connected to the Group. The PN 1 is due on the second anniversary of the date of issue.

The fair value of PN 1 was approximately to their principal amount calculated at the effective interest rate of 2.994% per annum. The PN 1 is classified as non-current liabilities and are carried at amortised cost until settlement on due date.

On 14 November 2016, the Company early redeemed the PN 1 in full by way of issuing 207,400,000 ordinary shares of the Company at the price of HK\$0.166. The fair value of the said ordinary shares at the date of issuance was approximately HK\$56,720,000 (based on market price of HK\$0.31). Accordingly, loss on early redemption of promissory notes of approximately HK\$26,191,000 has been recognised during the year ended 31 December 2016.

- (ii) On 9 November 2015, the Company issued promissory notes for an aggregate principal amount of HK\$213,600,000 at 2% interest per annum (the "PN 2") upon completion of the acquisition of Soaring International Holdings Limited to Mr. Lee Yim and Mr. Ng Hang Fai Calvin, independent third parties not connected to the Group. The PN 2 are due on the third anniversary of the date of issue.

The fair value of PN 2 was approximately to their principal amount calculated at the effective interest rate of 2% per annum. The PN 2 is classified as non-current liabilities and are carried at amortised cost until settlement on due date.

### 31. 承兌票據

2016 二零一六年	2015 二零一五年
RMB'000 人民幣千元	RMB'000 人民幣千元
207,737	—
—	26,023
—	174,996
4,389	1,165
26,191	—
(56,720)	—
14,133	5,553
<b>195,730</b>	<b>207,737</b>

#### 附註：

- (i) 於二零一五年三月二十三日，本公司於完成收購友邦信貸有限公司後向與本集團並無關連的獨立第三方林惠霞女士發行本金總額33,000,000港元年利率為3%的承兌票據（「承兌票據1」）。承兌票據1於發行日期起計第二年到期。

承兌票據1的公平值約相等於其本金額，乃按2.994%的實際年利率計算。承兌票據1乃分類為非流動負債及直至於到期日清償前按攤銷成本列賬。

於二零一六年十一月十四日，本公司透過按每股0.166港元之價格發行本公司207,400,000股普通股提前全額贖回承兌票據1。該等普通股於發行日期之公平值約為56,720,000港元（以市場價格每股0.31港元為基準）。因此，於截至二零一六年十二月三十一日止年度，已確認提前贖回承兌票據虧損約26,191,000港元。

- (ii) 於二零一五年十一月九日，本公司於完成收購Soaring International Holdings Limited後向與本集團並無關連的獨立第三方李儼先生及吳恒輝先生發行本金總額213,600,000港元年利率為2%的承兌票據（「承兌票據2」）。承兌票據2於發行日期起計第三年到期。

承兌票據2的公平值約相等於其本金額，乃按2%的實際年利率計算。承兌票據2乃分類為非流動負債及直至於到期日清償前按攤銷成本列賬。

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## 綜合財務報表附註

For the year ended 31 December 2016  
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### 32. SHARE CAPITAL

### 32. 股本

		Number of shares at HK\$0.10 per share 每股面值0.10 港元之股份數目 '000 千股	Amount 金額 HK\$'000 千港元
<b>Authorised:</b>	<b>法定：</b>		
At 1 January 2015	於二零一五年一月一日	3,000,000	300,000
Increase in authorised share capital (note c)	法定股本增加 (附註c)	17,000,000	1,700,000
		<u>20,000,000</u>	<u>2,000,000</u>
At 31 December 2015, 1 January 2016 and 31 December 2016	於二零一五年十二月三十一日、 二零一六年一月一日及 二零一六年十二月三十一日		
<b>Issued and fully paid:</b>	<b>已發行及繳足：</b>		
At 1 January 2015	於二零一五年一月一日	1,566,228	156,623
Issue of shares on 8 May 2015 (note a)	於二零一五年五月八日 發行股份 (附註a)	170,000	17,000
Issue of shares on 17 June 2015 (note b)	於二零一五年六月十七日 發行股份 (附註b)	313,000	31,300
Issue of shares on 9 November 2015 (note d)	於二零一五年十一月九日 發行股份 (附註d)	520,000	52,000
		<u>2,569,228</u>	<u>256,923</u>
As at 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及 二零一六年一月一日		
Issue of shares upon exercising of warrants (note e)	於行使認股權證時 發行股份 (附註e)	384	38
Issue of shares on 16 May 2016 (note f)	於二零一六年五月十六日 發行股份 (附註f)	409,000	40,900
Issue of shares on 14 November 2016 (note g)	於二零一六年十一月十四日 發行股份 (附註g)	207,400	20,740
		<u>3,186,012</u>	<u>318,601</u>
At 31 December 2016	於二零一六年十二月三十一日		
<b>Shown in the consolidated financial statements</b>	<b>於綜合財務報表所示</b>		
At 31 December 2015	於二零一五年十二月三十一日	<b>RMB'000 equivalent</b> <b>人民幣千元等值</b>	<u>213,708</u>
At 31 December 2016	於二零一六年十二月三十一日	<b>RMB'000 equivalent</b> <b>人民幣千元等值</b>	<u>266,401</u>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
截至二零一六年十二月三十一日止年度

### 32. SHARE CAPITAL (continued)

Notes:

- (a) On 8 May 2015, pursuant to the placing and subscription agreement dated 16 April 2015, 170,000,000 ordinary shares of HK\$0.10 each were allotted and issued at the price of HK\$0.31 per share. The net proceed of approximately HK\$52.8 million was used for general working capital.
- (b) On 17 June 2015, pursuant to the placing and subscription agreement dated 2 June 2015, 313,000,000 ordinary shares of HK\$0.10 each were allotted and issued at the price of HK\$0.35 per share. The net proceed of approximately HK\$109 million was used for general working capital.
- (c) On 15 September 2015, the Company proposed to increase its authorised share capital, which became effective on 7 October 2015. The authorised share capital of the Company increased from HK\$300,000,000 divided into 3,000,000,000 shares to HK\$2,000,000,000 divided into 20,000,000,000 shares.
- (d) On 9 November 2015, 520,000,000 ordinary shares of HK\$0.10 each were allotted and issued at HK\$0.32 per share upon acquisition of Soaring International Group.
- (e) During the year ended 31 December 2016, 80,000, 12,000, 800 and 291,200 shares were issued upon exercising of warrants on 19 January 2016, 22 March 2016, 23 March 2016 and 1 April 2016 respectively. The net proceed of approximately HK\$0.1 million was used for general working capital.
- (f) On 16 May 2016, pursuant to the placing and subscription agreement dated 20 April 2016, 409,000,000 ordinary shares of HK\$0.10 each were allotted and issued at HK\$0.166 per share to not less than six placees. The net proceed of approximately HK\$66.78 million was used for general working capital.
- (g) On 14 November 2016, the Company early redeemed the PN 1 in full by way of issuing 207,400,000 ordinary shares of the Company at the price of HK\$0.166. The fair value of the said ordinary shares at the date of issuance was approximately HK\$56,720,000 (based on market price of HK\$0.31). As such, loss on early redemption of promissory notes of approximately HK\$26,191,000 has been recognised during the year ended 31 December 2016.

### 32. 股本 (續)

附註：

- (a) 於二零一五年五月八日，根據日期為二零一五年四月十六日之配售及認購協議，按每股0.31港元之價格配發及發行170,000,000股每股面值0.10港元之普通股。所得款項淨額約52,800,000港元已用作一般營運資金。
- (b) 於二零一五年六月十七日，根據日期為二零一五年六月二日之配售及認購協議，按每股0.35港元之價格配發及發行313,000,000股每股面值0.10港元之普通股。所得款項淨額約109,000,000港元已用作一般營運資金。
- (c) 於二零一五年九月十五日，本公司建議增加其法定股本，其於二零一五年十月七日生效。本公司之法定股本由300,000,000港元（分為3,000,000,000股股份）增加至2,000,000,000港元（分為20,000,000,000股股份）。
- (d) 於二零一五年十一月九日，於收購Soaring International集團後，按每股0.32港元配發及發行520,000,000股每股面值0.10港元之普通股。
- (e) 於截至二零一六年十二月三十一日止年度，於行使認股權證時分別於二零一六年一月十九日、二零一六年三月二十二日、二零一六年三月二十三日及二零一六年四月一日發行80,000股、12,000股、800股及291,200股股份。所得款項淨額約100,000港元已用作一般營運資金。
- (f) 於二零一六年五月十六日，根據日期為二零一六年四月二十日之配售及認購協議，按每股0.166港元配發及發行409,000,000股每股面值0.10港元之普通股予不少於六名承配人。所得款項淨額約66,780,000港元已用作一般營運資金。
- (g) 於二零一六年十一月十四日，本公司透過按每股0.166港元之價格發行本公司207,400,000股普通股提前全額贖回承兌票據1。該等普通股於發行日期之公平值約為56,720,000港元（以市場價格每股0.31港元為基準）。因此，於截至二零一六年十二月三十一日止年度，已確認提前贖回承兌票據虧損約26,191,000港元。

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## 綜合財務報表附註

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### 33. SHARE-BASED PAYMENT TRANSACTIONS

The Company's share option scheme (the "Scheme"), was adopted pursuant to a resolution passed on 7 June 2010 for the primary purpose of providing incentives to directors and eligible employees, and will expire on 6 June 2020. Under the Scheme, the board of directors of the Company may grant options to eligible employees, including directors (excluding non-executive directors) of the Company and its subsidiaries, to subscribe for shares in the Company.

At 31 December 2015, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 120,000,000, representing 7.66% of the shares of the Company in issue at that date. The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.

Options granted must be taken up within 20 days from the date of grant, upon payment of HK\$1 per option. Options may be exercised at any time from 1 year from the date of grant of the share option to the 10th anniversary of the date of grant. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

### 33. 以股份為基礎付款交易

本公司根據於二零一零年六月七日通過之決議案採納購股權計劃（「該計劃」），主要目的是向董事及合資格僱員提供獎勵，而該計劃將於二零二零年六月六日屆滿。根據該計劃，本公司董事會可向合資格僱員（包括本公司及其附屬公司的董事，不包括非執行董事）授出購股權，以認購本公司股份。

於二零一五年十二月三十一日，根據該計劃已授出而尚未行使之購股權所涉及之股份數目為120,000,000股，相等於本公司於該日已發行股份之7.66%。在未經本公司股東事先批准的情況下，根據該計劃可能授出的購股權所涉及之股份總數不得超過本公司於任何時間已發行股份之10%。在未經本公司股東事先批准情況下，任何個別人士於任何一年內獲授及可獲授之購股權所涉及之已發行及將予發行股份數目不得超過本公司於任何時間已發行股份之1%。

獲授購股權人士須於授出日期起計20日內就每份購股權支付1港元，以接納購股權。購股權可於授出購股權日期起計一年直至授出日期之十週年止任何時間行使。行使價由本公司董事釐定，且將不會低於以下最高者：(i)本公司股份於授出日期之收市價；(ii)股份於緊接授出日期前五個營業日之平均收市價；及(iii)本公司股份面值。

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## 綜合財務報表附註

For the year ended 31 December 2016  
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### 33. SHARE-BASED PAYMENT TRANSACTIONS (continued)

### 33. 以股份為基礎付款交易 (續)

2016

二零一六年

Date of grant	Vesting period	Exercisable period	Exercise price	Number of share options 購股權數目				Balance at 31.12.2016 於二零一六年十二月三十一日之結餘
				Balance at 1.1.2016 於二零一六年一月一日之結餘	Granted	Exercised	Lapsed	
13 January 2016 二零一六年一月十三日	Nil 無	13 January 2016 to 12 January 2019 二零一六年一月十三日至二零一九年一月十二日	HK\$0.3 0.3港元	120,000,000	80,000,000	-	-	200,000,000

2015

二零一五年

Date of grant	Vesting period	Exercisable period	Exercise price	Number of share options 購股權數目				Balance at 31.12.2015 於二零一五年十二月三十一日之結餘
				Balance at 1.1.2015 於二零一五年一月一日之結餘	Granted	Exercised	Lapsed	
16 March 2015 二零一五年三月十六日	Nil 無	16 March 2015 to 15 March 2018 二零一五年三月十六日至二零一八年三月十五日	HK\$0.320 0.320港元	-	120,000,000	-	-	120,000,000

Exercisable at 31 December 2015  
可於二零一五年十二月三十一日行使

120,000,000

Weighted average exercise price  
加權平均行使價

HK\$0.320  
0.320港元

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## 綜合財務報表附註

For the year ended 31 December 2016  
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### 33. SHARE-BASED PAYMENT TRANSACTIONS (continued)

The fair value of equity-settled share options granted during the two years ended 31 December 2016 was estimated as at the date of grant, using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

Dividend yield (%)	派息率(%)
Expected volatility (%)	預期波幅(%)
Risk-free interest rate (%)	無風險利率(%)
Expected life of options (year)	購股權之預期年期(年)
Closing share price at grant date (HK\$)	於授出日期之收市價(港元)

The expected life of the options is based on management expectation and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

The fair value of equity-settled share options granted during the year was approximately RMB11,024,000 (2015: RMB10,407,000) of which the Group recognised a share option expense of approximately RMB11,024,000 (2015: RMB10,407,000) during the year ended 31 December 2016.

At the end of the reporting period, the Company had 200,000,000 (2015: 120,000,000) share options outstanding under the share option scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 200,000,000 (2015: 120,000,000) additional ordinary shares in the Company and additional share capital of approximately HK\$20,000,000 (2015: HK\$12,000,000) and share premium of approximately HK\$42,400,000 (2015: HK\$26,400,000) (before issue expenses).

### 33. 以股份為基礎付款交易(續)

於截至二零一六年十二月三十一日止兩個年度，已授出之股本結算購股權之公平值乃於授出日期以柏力克-舒爾斯期權定價模式作出估計，並經計及所授購股權之條款及條件。下表載列所採用模式之參數：

2016 二零一六年	2015 二零一五年
0.00	0.00
86	72
1.134	0.335
1.5	1.50
0.3	0.32

購股權之預期年期乃根據管理層預期釐定，不一定表示可能出現之行使規律。預期波幅反映歷史波幅可表示未來趨勢之假設，亦未必為實際結果。

年內已授出股本結算購股權之公平值為約人民幣11,024,000元(二零一五年：人民幣10,407,000元)，其中本集團於截至二零一六年十二月三十一日止年度確認一項購股權開支約人民幣11,024,000元(二零一五年：人民幣10,407,000元)。

於申報期末，本公司於購股權計劃項下擁有200,000,000份(二零一五年：120,000,000份)未獲行使購股權。於本公司現時資本結構下，一旦未獲行使的購股權獲全面行使，將令本公司須發行額外200,000,000股(二零一五年：120,000,000股)普通股及額外股本約20,000,000港元(二零一五年：12,000,000港元)及股份溢價約42,400,000港元(二零一五年：26,400,000港元)(未經扣除發行開支)。

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## 綜合財務報表附註

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### 34. OPERATING LEASES

At 31 December 2016, the Group had commitment for minimum lease payment under non-cancellable operating leases which fall due as follows:

Within one year	一年內
In the second to fifth year inclusive	第二年至第五年 (包括首尾兩年)

### 34. 經營租賃

於二零一六年十二月三十一日，本集團根據不可撤銷經營租賃有以下最低租賃付款之承擔，其到期情況如下：

2016 二零一六年	2015 二零一五年
RMB'000 人民幣千元	RMB'000 人民幣千元
910	716
212	90
<b>1,122</b>	<b>806</b>

### 35. RETIREMENT BENEFIT PLANS

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") for all qualifying Hong Kong employees. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. Mandatory benefits are provided under the MPF Scheme. The Group contributes the lower of 5% of the relevant payroll costs and HK\$1,500 per employee to the MPF Scheme.

Employees of subsidiaries in the PRC are members of the state-sponsored pension schemes operated by the PRC government. The subsidiaries are required to contribute a certain percentage of their payroll to the pension scheme to fund the benefits. The only obligation of the Group with respect to the state-sponsored pension schemes is to make the required contributions.

The total contribution to the retirement benefit schemes charged to the consolidated statement of profit or loss and other comprehensive income is RMB2,606,000 (2015: RMB3,297,000).

### 35. 退休福利計劃

本集團為所有合資格香港僱員設有強制性公積金計劃（「強積金計劃」）。此計劃之資產乃與本集團其他資產分開管理，存放於受託人控制之基金。強制性福利根據強積金計劃提供。本集團為每位僱員按有關薪金的5%及1,500港元中之較低者向強積金計劃供款。

中國附屬公司之僱員已參加中國政府營運之國家贊助退休金計劃。該等附屬公司須按僱員薪金的某個百分比向退休金計劃供款，為此項福利撥付資金。本集團就此等國家贊助退休金計劃之唯一義務乃作出規定供款。

已於綜合損益及其他全面收益表扣除之退休福利計劃總供款為人民幣2,606,000元（二零一五年：人民幣3,297,000元）。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
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### 36. RELATED PARTY TRANSACTIONS

Save as disclosed in elsewhere to the consolidated financial statements, the Group have the following related party transactions.

### 36. 關連方交易

除於綜合財務報表其他部分披露者外，本集團訂有以下關連方交易。

Name of related party 關連方姓名	Relationship 關係	Nature of transaction/balance 交易性質／結餘	2016	2015
			二零一六年	二零一五年
			RMB'000 人民幣千元	RMB'000 人民幣千元
Yip Sum Yu 葉芯瑜	Non-executive Director 非執行董事	Loan interest received 已收貸款利息	26	22
		Loan interest receivable 應收貸款利息	—	6
		Loan receivable 應收貸款	—	1,675
Lu Yongchao 呂永超	chief executive officer 行政總裁	Loan interest received 已收貸款利息	159	14
		Loan interest receivable 應收貸款利息	—	6
		Loan receivable 應收貸款	2,641	1,675

Note: The interest rate of the loan was 6% per year. In the opinion of the directors, the transactions between the Group and the related party were conducted in the ordinary course of business.

附註：貸款的年利率為6%。董事認為，本集團與關連方之交易乃於日常業務過程中進行。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
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### 36. RELATED PARTY TRANSACTIONS (continued)

#### Compensation of key management personnel

The remuneration of directors and other members of key management for both years was as follows:

Short-term benefits	短期福利
Retirement benefit scheme contributions	退休福利計劃供款
Share-based payments	以股份為基礎付款

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

### 37. ACQUISITION OF SUBSIDIARIES

#### (i) Time Credit Limited

On 3 November 2014, the Company entered into a sale and purchase agreement with an independent third party, for the acquisition of 90% equity interest in Time Credit Limited, a company engaged in money lending business, at an aggregate consideration of approximately HK\$140,000,000. The acquisition was completed on 23 March 2015.

Acquisition-related costs amounting to RMB265,000 have been excluded from the cost of the acquisition and have been recognised directly as an expense in the year and included in the “administrative expenses” line item in the consolidated statement of profit or loss and other comprehensive income.

### 36. 關連方交易 (續)

#### 主要管理人員薪酬

董事及其他主要管理層成員於兩個年度之薪酬如下：

2016 二零一六年	2015 二零一五年
RMB'000 人民幣千元	RMB'000 人民幣千元
1,877	1,560
35	38
—	3,903
<b>1,912</b>	<b>5,501</b>

董事及主要行政人員之薪金乃由薪酬委員會參考個人表現及市場趨勢而釐定。

### 37. 收購附屬公司

#### (i) 友邦信貸有限公司

於二零一四年十一月三日，本公司與獨立第三方就收購友邦信貸有限公司（一間從事放債業務的公司）之90%股權訂立買賣協議，總代價為約140,000,000港元。收購已於二零一五年三月二十三日完成。

收購相關成本人民幣265,000元已自收購成本中剔除，並於年內直接確認為開支及計入綜合損益及其他全面收益表之「行政開支」項下。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 37. ACQUISITION OF SUBSIDIARIES (continued)

#### (i) Time Credit Limited (continued)

The fair value of the identifiable assets and liabilities of Time Credit Limited at the date of acquisition was as follows:

### 37. 收購附屬公司 (續)

#### (i) 友邦信貸有限公司 (續)

友邦信貸有限公司於收購日期之可辨識資產及負債之公平值如下：

		<b>Fair Value</b>
		<b>公平值</b>
		RMB'000
		人民幣千元
Property, plant and equipment	物業、廠房及設備	17
Loan receivable	應收貸款	42,094
Other receivable	其他應收款項	126
Cash and cash equivalents	現金及現金等值物	71
Other payables	其他應付款項	<u>(34,448)</u>
		7,860
Non-controlling interest	非控股權益	(785)
Goodwill on acquisition	收購時產生的商譽	<u>103,318</u>
		<u>110,393</u>
Consideration satisfied by:	代價以下列各項清償：	
Cash	現金	84,370
Promissory note	承兌票據	<u>26,023</u>
		<u>110,393</u>
Net cash outflow arising on acquisition:	收購時產生的現金流出淨額：	
Deposit paid during the year ended 31 December 2014	於截至二零一四年十二月三十一日 止年度支付的按金	<u>55,125</u>
Cash consideration paid during the year ended 31 December 2015	於截至二零一五年十二月三十一日 止年度支付的現金代價	(29,245)
Cash and bank balances acquired	已收購的現金及銀行結餘	<u>71</u>
		<u>(29,174)</u>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
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### 37. ACQUISITION OF SUBSIDIARIES (continued)

#### (i) Time Credit Limited (continued)

During the year ended 31 December 2015, Time Credit Limited contributed approximately RMB5,333,000 to the Group's revenue and loss of approximately RMB1,636,000 to the Group's results in aggregate for the period from the date of acquisition to 31 December 2015.

If the acquisition of Time Credit Limited had been completed on 1 January 2015, the Group's revenue for the year ended 31 December 2015 would have been approximately RMB296,464,000 and loss for the year ended 31 December 2015 would have been RMB267,772,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2015, nor is it intended to be a projection of future results.

#### (ii) Soaring International Holdings Limited and its subsidiaries ("Soaring International Group")

On 15 May 2015, the Company entered into a sale and purchase agreement with independent third parties, for the acquisition of 100% equity interest in Soaring International Holdings Limited, an investment holding company whose subsidiaries are principally engaged in E-Commerce, at an aggregate consideration of approximately HK\$367,680,000. The acquisition was completed on 9 November 2015.

Pursuant to the sales and purchase agreement, the earnings before interest, taxes, depreciation and amortisation guarantee for Soaring International Group's shall not be less than HK\$10,000,000 for the year ending 31 March 2016 (the "EBITDA Guarantee"). In the event of EBITDA Guarantee cannot be met, the vendors shall pay a compensation amount of actual shortfall multiple of 38 times, to the Company. The fair value of the EBITDA guarantee of Soaring International Group was insignificant at the date of acquisition based on valuation performed by an independent valuer, by using a probabilistic model.

### 37. 收購附屬公司 (續)

#### (i) 友邦信貸有限公司 (續)

於截至二零一五年十二月三十一日止年度，友邦信貸有限公司於自收購日期起至二零一五年十二月三十一日止期間，合共為本集團貢獻收入約人民幣5,333,000元及為本集團業績帶來虧損約人民幣1,636,000元。

倘收購友邦信貸有限公司於二零一五年一月一日完成，本集團於截至二零一五年十二月三十一日止年度之收入應為約人民幣296,464,000元，而截至二零一五年十二月三十一日止年度之虧損應為人民幣267,772,000元。此備考資料僅供說明用途，不一定成為假若收購於二零一五年一月一日完成之情況下本集團實際所得收入及經營業績之指標，亦不擬以此作為日後業績之預測。

#### (ii) Soaring International Holdings Limited及其附屬公司 (「Soaring International 集團」)

於二零一五年五月十五日，本公司與獨立第三方就收購 Soaring International Holdings Limited (一間投資控股公司，其附屬公司主要從事電子商務) 之100%股權訂立買賣協議，總代價為約367,680,000港元。收購已於二零一五年十一月九日完成。

根據買賣協議，Soaring International 集團保證截至二零一六年三月三十一日止年度之息稅折舊及攤銷前利潤將不少於10,000,000港元 (「EBITDA保證」)。倘未能達到EBITDA保證，賣方須向本公司支付實際差額的38倍金額作為補償。於收購日期，Soaring International 集團的 EBITDA保證的公平值 (根據獨立估值師按概率論模型計算作出的估值) 並不重大。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
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### 37. ACQUISITION OF SUBSIDIARIES (continued)

#### (ii) Soaring International Holdings Limited and its subsidiaries (“Soaring International Group”) (continued)

Acquisition-related costs amounting to RMB1,363,000 have been excluded from the cost of the acquisition and have been recognised directly as an expense in the year and included in the “administrative expenses” line item in the consolidated statement of profit or loss and other comprehensive income.

The fair value of the identifiable assets and liabilities of Soaring International Group at the date of acquisition was as follows:

### 37. 收購附屬公司 (續)

#### (ii) Soaring International Holdings Limited及其附屬公司 (「Soaring International Group」) (續)

收購相關成本人民幣1,363,000元已自收購成本中剔除，並於年內直接確認為開支及計入綜合損益及其他全面收益表之「行政開支」項下。

Soaring International集團於收購日期之可辨識資產及負債之公平值如下：

		Fair Value 公平值 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	169
Intangible assets	無形資產	94,970
Trade receivables	貿易應收款項	2,251
Prepayment, deposits and other receivables	預付款、按金其他應收款項	2,034
Inventory	存貨	6,572
Cash and bank balances	現金及銀行結餘	6,724
Trade and bills payables	貿易應付款項及應付票據	(9,956)
Other payables	其他應付款項	(757)
Tax payables	應付稅項	(147)
Bank loan	銀行貸款	(415)
Amount due to directors	應付董事款項	(8,541)
Deferred tax liabilities	遞延稅項負債	(15,334)
		<u>81,570</u>
Goodwill on acquisition	收購時產生的商譽	<u>229,740</u>
		<u>311,310</u>
Considerations satisfied by:	代價以下列各項清償：	
Considerations shares	代價股份	136,314
Promissory note	承兌票據	174,996
		<u>311,310</u>
Net cash inflow arising on acquisition:	收購時產生的現金流入淨額：	
Cash and bank balances acquired	已收購的現金及銀行結餘	<u>6,724</u>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
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### 37. ACQUISITION OF SUBSIDIARIES (continued)

#### (ii) Soaring International Holdings Limited and its subsidiaries (“Soaring International Group”) (continued)

During the year ended 31 December 2015, Soaring International Group contributed approximately RMB26,845,000 to the Group’s revenue and approximately RMB1,644,000 to the Group’s results in aggregate for the period from the date of acquisition to 31 December 2015.

If the acquisition of the Soaring International Group had been completed on 1 January 2015, the Group’s revenue for the year ended 31 December 2015 would have been approximately RMB406,479,000 and loss for the year ended 31 December 2015 would have been RMB265,694,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2015, nor is it intended to be a projection of future results.

### 37. 收購附屬公司 (續)

#### (ii) Soaring International Holdings Limited及其附屬公司 (「Soaring International Group」) (續)

於截至二零一五年十二月三十一日止年度，Soaring International集團於自收購日期起至二零一五年十二月三十一日止期間，合共為本集團貢獻收入約人民幣26,845,000元及為本集團業績帶來約人民幣1,644,000元。

倘收購Soaring International集團於二零一五年一月一日完成，本集團於截至二零一五年十二月三十一日止年度之收入應為約人民幣406,479,000元，而於截至二零一五年十二月三十一日止年度之虧損應為人民幣265,694,000元。此備考資料僅供說明用途，不一定成為假若收購於二零一五年一月一日完成之情況下本集團實際所得收入及經營業績之指標，亦不擬以此作為日後業績之預測。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
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### 38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

### 38. 本公司財務狀況表

(a) Financial information of the statement of financial position of the Company

(a) 本公司財務狀況表之財務資料

		2016 二零一六年	2015 二零一五年
		RMB'000 人民幣千元	RMB'000 人民幣千元
<b>Non-current assets</b>	<b>非流動資產</b>		
Investments in subsidiaries	於附屬公司之投資	321,361	321,361
Property, plant and equipment	物業、廠房及設備	-	3
		<b>321,361</b>	<b>321,364</b>
<b>Current assets</b>	<b>流動資產</b>		
Prepayments	預付款項	260	243
Bank balances	銀行結餘	930	15,947
		<b>1,190</b>	<b>16,190</b>
<b>Current liability</b>	<b>流動負債</b>		
Other payables and accruals	其他應付款項及應計費用	2,028	1,838
<b>Net current (liabilities)/assets</b>	<b>流動(負債)/資產淨值</b>	<b>(838)</b>	<b>14,352</b>
<b>Total assets less current liability</b>	<b>資產總值減流動負債</b>	<b>320,523</b>	<b>335,716</b>
<b>Non-current liability</b>	<b>非流動負債</b>		
Promissory notes	承兌票據	195,730	207,737
Net assets	資產淨值	<b>124,793</b>	<b>127,979</b>
<b>Capital and reserves</b>	<b>資本及儲備</b>		
Share capital	股本	266,401	213,708
Reserves	儲備	(141,608)	(85,729)
<b>Total equity</b>	<b>權益總額</b>	<b>124,793</b>	<b>127,979</b>

Approved and authorised for issue by the board of directors on 31 March 2017 and are signed on its behalf by:

董事會於二零一七年三月三十一日批准及授權刊發，並由以下代表簽署：

DIRECTOR  
董事  
Xu Yejun  
徐葉君

DIRECTOR  
董事  
Sin Kwok Wai Ronald  
冼國威

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## 綜合財務報表附註

For the year ended 31 December 2016  
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### 38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

### 38. 本公司財務狀況表 (續)

#### (b) Movement of capital and reserves of the Company

#### (b) 本公司資本及儲備變動

		Share capital	Share premium	Share options reserve	Warrant reserve	Exchange reserve	Retained profits	Total
		股本	股份溢價	購股權儲備	認股權證儲備	匯兌儲備	保留溢利	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2015	於二零一五年一月一日	133,169	188,664	-	-	-	32,939	354,772
Loss for the year	年內虧損	-	-	-	-	-	(501,775)	(501,775)
Other comprehensive income for the year	年內其他全面收益	-	-	-	-	807	-	807
Total comprehensive expense for the year	年度全面開支總額	-	-	-	-	807	(501,775)	(500,968)
Issue of shares upon placing	於配售時發行股份	37,941	89,513	-	-	-	-	127,454
Recognition of equity settled share-based payments	確認股本結算以股份為基礎付款	-	-	10,407	-	-	-	10,407
Issue of shares upon acquisition of subsidiaries	於收購附屬公司時發行股份	42,598	93,716	-	-	-	-	136,314
At 31 December 2015 and at 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日	<u>213,708</u>	<u>371,893</u>	<u>10,407</u>	<u>-</u>	<u>807</u>	<u>(468,836)</u>	<u>127,979</u>
Loss for the year	年內虧損	-	-	-	-	-	(135,540)	(135,540)
Other comprehensive income for the year	年內其他全面收益	-	-	-	-	8,325	-	8,325
Total comprehensive expense for the year	年度全面開支總額	-	-	-	-	8,325	(135,540)	(127,215)
Issue of shares upon exercising of warrants	於行使認股權證時發行股份	33	71	-	(7)	-	-	97
Issue of shares upon placing	於配售時發行股份	34,364	21,825	-	-	-	-	56,189
Issue of shares	發行股份	18,296	38,423	-	-	-	-	56,719
Issue of warrant	發行認股權證	-	-	-	9,576	-	(9,576)	-
Recognition of equity settled share-based payments	確認股本結算以股份為基礎付款	-	-	11,024	-	-	-	11,024
At 31 December 2016	於二零一六年十二月三十一日	<u>266,401</u>	<u>432,212</u>	<u>21,431</u>	<u>9,569</u>	<u>9,132</u>	<u>(613,952)</u>	<u>124,793</u>



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## 綜合財務報表附註

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### 39. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

### 39. 本公司附屬公司詳情

Name of subsidiary 附屬公司名稱	Place and date of incorporation/establishment and operations 註冊成立/ 成立及營運地點及日期	Issued and fully paid share capital/ registered capital 已發行及繳足股本/ 註冊資本	Proportion of ownership interest held by the Company 本公司持有的 所有權益比例		Principal activities 主要業務
			2016 二零一六年	2015 二零一五年	
Soaring International Holdings Limited	The British Virgin Islands 5 March 2015 英屬處女群島 二零一五年三月五日	US\$2 2美元	100%	100%	Investment holding 投資控股
VT Zero Limited	Hong Kong 24 January 2007 香港 二零零七年一月二十四日	HK\$10,000 10,000港元	100%	100%	E-Commerce 電子商務
劃時零距電子(深圳)有限公司	The PRC 25 February 2011 中國 二零一一年二月二十五日	RMB500,000 人民幣500,000元	100%	100%	E-Commerce 電子商務
Time Credit Limited 友邦信貸有限公司	Hong Kong 30 December 2011 香港 二零一一年十二月三十日	HK\$2,000,000 2,000,000港元	90%	90%	Money lending 放債
Accura Machinery & Manufacturing (Taicang) Co., Ltd. 雅高機械(太倉)有限公司	The PRC 23 February 2004 中國 二零零四年二月二十三日	RMB26,639,440 人民幣26,639,440元	100%	100%	Manufacture and sale of paper converting equipment and other relating equipment 製造及銷售紙張加工設備及其他相關設備
Accurate Trade International Limited	The British Virgin Islands 18 November 2013 英屬處女群島 二零一三年十一月十八日	US\$1 1美元	100%	100%	Investment holding 投資控股
China Safety Holdings Limited	Hong Kong 7 April 2014 香港 二零一四年四月七日	HK\$1 1港元	100%	100%	Investment holding 投資控股
Eagle Pioneer Limited	The British Virgin Islands 12 March 2014 英屬處女群島 二零一四年三月十二日	US\$1 1美元	100%	100%	Investment holding 投資控股

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
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### 39. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

### 39. 本公司附屬公司詳情 (續)

Name of subsidiary 附屬公司名稱	Place and date of incorporation/establishment and operations 註冊成立/ 成立及營運地點及日期	Issued and fully paid share capital/ registered capital 已發行及繳足股本/ 註冊資本	Proportion of ownership interest held by the Company 本公司持有的 所有權權益比例		Principal activities 主要業務
			2016 二零一六年	2015 二零一五年	
Great Select Global Limited 境裕環球有限公司	Hong Kong 18 November 2013 香港 二零一三年十一月十八日	HK\$1 1港元	100%	100%	Investment holding 投資控股
Sinoref (BVI) Limited	The British Virgin Islands 12 January 2010 英屬處女群島 二零一零年一月十二日	US\$2 2美元	100%	100%	Investment holding 投資控股
Sinoref (Hong Kong) Limited 華耐科技(香港)有限公司	Hong Kong 17 February 2010 香港 二零一零年二月十七日	HK\$1 1港元	100%	100%	Investment holding 投資控股
Sinoref Yixing <sup>#</sup> 華耐宜興 <sup>#</sup>	The PRC 20 July 2005 中國 二零零五年七月二十日	RMB151,716,600 人民幣151,716,600元	100%	100%	Manufacture and sale of advanced steel flow control products 製造及銷售高端鋼水控流產品

<sup>#</sup> Wholly-foreign owned enterprise registered in the PRC.

<sup>#</sup> 於中國註冊之外商獨資企業。

None of the subsidiaries had issued any debt securities at the end of the year.

年末概無附屬公司發行任何債務證券。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
截至二零一六年十二月三十一日止年度

### 39. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

The following information relating to non-wholly owned subsidiary that have material non-controlling interests (“NCI”).

The summarised financial information represents amounts before intercompany eliminations.

#### Time Credit Limited

At 31 December	於十二月三十一日
Non-current assets	非流動資產
Current assets	流動資產
Current liabilities	流動負債
Net assets	資產淨值
Carrying amount of NCI	非控股權益之賬面值
Year ended 31 December	截至十二月三十一日止年度
Revenue	收入
Cost of sales	銷售成本
Other income	其他收入
Expenses	開支
Profit for the year	年內溢利
Profit attributable to NCI	非控股權益應佔溢利
Net cash flow (used in) from Operating activities	(用於)／來自經營活動之現金流量淨額
Investing activities	投資活動
Financing activities	融資活動

### 39. 本公司附屬公司詳情 (續)

以下資料有關於其中擁有重大非控股權益 (「非控股權益」) 的非全資附屬公司。

該概述財務資料表示公司間對銷前的金額。

#### 友邦信貸有限公司

2016 二零一六年	2015 二零一五年
RMB'000 人民幣千元	RMB'000 人民幣千元
13	17
84,691	12,865
(66,050)	(2,832)
18,654	10,050
1,865	1,005
12,537	5,333
(1,428)	(1,528)
56	14
(3,605)	(2,183)
7,560	1,636
756	164
(36,390)	57,156
-	-
-	-

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016  
截至二零一六年十二月三十一日止年度

### 40. EVENTS AFTER THE REPORTING PERIOD

On 13 January 2017, the Company entered into a placing agreement with the placing agent pursuant to which the placing agent has agreed to place, on a best effort basis, to not less than six independent placees for up to 595,600,000 new Shares at a price of HK\$0.30 per placing share, for and on behalf of the Company.

The completion of the placing took place on 2 February 2017 pursuant to which the Company has allotted and issued 595,600,000 placing shares to not less than six placees, who are independent third parties, at HK\$0.30 per placing share. The net proceed of approximately HK\$176.6 million is intended to be used for general working capital and future investment of the Group.

### 41. MAJOR NON-CASH TRANSACTION

As disclosed in note 31 of the consolidated financial statements, during the year ended 31 December 2016, the Company early redeemed a promissory note with principal amount of HK\$30,000,000 in full by way of issuing 207,400,000 ordinary shares of the Company at the price of HK\$ 0.166.

### 40. 報告期後事項

於二零一七年一月十三日，本公司與配售代理訂立配售協議，據此，配售代理已同意代表本公司，按竭力行事基準向不少於六名獨立承配人配售最多595,600,000股新股份，價格為每股配售股份0.30港元。

配售已於二零一七年二月二日完成，據此，本公司向不少於六名承配人（彼等為獨立第三方）配發及發行595,600,000股配售股份，價格為每股配售股份0.30港元。所得款項淨額約176,600,000港元擬用作本集團一般營運資金及日後的投資資金。

### 41. 主要非現金交易

誠如綜合財務報表附註31所披露，於截至二零一六年十二月三十一日止年度，本公司透過按每股0.166港元之價格發行本公司207,400,000股普通股，以提前悉數贖回本金額為30,000,000港元之承兌票據。

# Summary of Results, Assets and Liabilities

## 業績、資產及負債概要

### Results of the Group for the year ended 31 December

#### 本集團截至十二月三十一日止年度之業績

		2012	2013	2014	2015	2016
		二零一二年	二零一三年	二零一四年	二零一五年	二零一六年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Turnover	營業額	<u>322,671</u>	<u>186,436</u>	<u>240,916</u>	<u>288,942</u>	<b>357,840</b>
Profit (loss) and total comprehensive income (expense) for the year attributable to owners of the Company	本公司擁有人應佔年內溢利(虧損)及全面收益(開支)總額	<u>72,479</u>	<u>(56,776)</u>	<u>(173,702)</u>	<u>(271,432)</u>	<b>(138,695)</b>
Earnings (loss) per share (RMB)	每股盈利(虧損)(人民幣)					
- Basic	- 基本	<u>0.06</u>	<u>(0.05)</u>	<u>(0.12)</u>	<u>(0.14)</u>	<b>(0.05)</b>
- Diluted	- 攤薄	<u>0.06</u>	<u>(0.05)</u>	<u>(0.12)</u>	<u>(0.14)</u>	<b>(0.05)</b>

### Assets and liabilities of the Group at 31 December

#### 本集團於十二月三十一日之資產及負債

		2012	2013	2014	2015	2016
		二零一二年	二零一三年	二零一四年	二零一五年	二零一六年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Total assets	資產總值	694,552	628,753	631,485	875,968	<b>942,675</b>
Less: Total liabilities	減：負債總額	<u>(74,823)</u>	<u>(65,416)</u>	<u>(104,937)</u>	<u>(326,421)</u>	<b>(378,825)</b>
Total net assets	總資產淨值	<u>619,729</u>	<u>563,337</u>	<u>526,548</u>	<u>(549,547)</u>	<b>563,850</b>



**SINOREF**

華耐控股有限公司  
SINOREF HOLDINGS LIMITED